# Original Application

## New Hope Treatment Center

CN1807-034



## State of Tennessee **Health Services and Development Agency**

Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

## CERTIFICATE OF NEED APPLICATION

## SECTION A: APPLICANT PROFILE

1. <u>Nan</u>	ne of Facility, Agency, or Instituti	<u>on</u>			
New	/ Hope Treatment Center				
Nam					
	Fox and Hound Way				Cocke
	et or Route		Tannasasa		County
City	/port		<u>Tennessee</u> State		37821 Zip Code
Oity			Otate		Zip Code
Wel COI	bsite address: The applicant will not ii N application is approved.	ncur the exp	pense of a we	bsite unl	ess and until the
	facility's name and address <b>must be</b> t with the Publication of Intent.	the name a	and address c	of the pro	ject and <u>must be</u>
2. <u>Con</u>	ntact Person Available for Respon	ses to Qu	<u>estions</u>		
Kim	Harvey Looney, Esq.		Attori	ney	
Nam			Title		
	ler Lansden Dortch & Davis, LLP				wallerlaw.com_
	npany Name	M - 1 - 11 -		laddres	=
	Union Street, Suite 2700	Nashville		<u>essee</u>	37219
Sire	et or Route	City	ડા	ate	Zip Code
Atto	rney		615-850-872	22	615-244-6804
	ociation with Owner		Phone Numb		Fax Number
NOTE	Section A is intended to give t	he annlica	nt an opportu	inity to d	lescribe the project

s intended to give the applicant an opportunity to describe the project. Section B addresses how the project relates to the criteria for a Certificate of Need by addressing: Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care.

Please answer all questions on 8½" X 11" white paper, clearly typed and spaced, single or double-sided, in order and sequentially numbered. In answering, please type the question and the response. All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). Attach appropriate documentation as an Appendix at the end of the application and reference the applicable Item Number on the attachment, i.e., Attachment A.1, A.2, etc. The last page of the application should be a completed signed and notarized affidavit.

## 3. SECTION A: EXECUTIVE SUMMARY

#### A. Overview

Please provide an overview not to exceed three pages in total explaining each numbered point.

1) Description – Address the establishment of a health care institution, initiation of health services, bed complement changes, and/or how this project relates to any other outstanding but unimplemented certificates of need held by the applicant;

## Response:

The Applicant proposes a new non-residential opioid treatment program ("OTP") and the initiation of services for opioid addiction in Newport, Tennessee. The Applicant will provide methadone, an accessible addiction treatment service, together with on-site behavioral counseling and other mental health services to persons suffering from addiction to opioids such as opium, morphine, and any of their derivatives, like Vicodin and other prescription pain medications. Use of the drugs heroin and fentanyl are also becoming increasingly more prevalent in the State, as noted in a public health and safety advisory indicating that fentanyl and heroin related overdose deaths have more than doubled from the period of 2013 to 2015.<sup>1</sup>

Existing providers in the service area consist of physicians authorized to prescribe buprenorphine as a drug replacement therapy. Persons seeking treatment for opioid addiction often find buprenorphine treatment to be cost prohibitive. This is especially important in the service area, where between 15.2% and 26.1% of residents live at or below the poverty level.<sup>2</sup> In addition, buprenorphine is not clinically indicated for treatment in all cases. For example, methadone is a safe treatment for pregnant women. This is especially true when treating a patient with an intravenous use history.

There are three drugs approved by the FDA for the treatment of opioid dependence: methadone, buprenorphine, and naltrexone. All three of these treatments have been demonstrated to be safe and effective in combination with counseling and psychosocial support. Everyone who seeks treatment for an OUD should be offered access to all three options as this allows providers to work with patients to select the treatment best suited for an individual's needs.<sup>3</sup>

The Applicant will introduce an affordable, highly effective methadone treatment program in the service area. The Applicant's program is designed to help patients stop abusing opioids, manage triggers and addictive behaviors, and gain control of their lives. When managed by medical professionals and taken as prescribed, methadone is very safe and prevents patients from experiencing withdrawal symptoms without drowsiness or disorientation.

<sup>&</sup>lt;sup>1</sup> Tennessee, Department of Mental Health & Substance Abuse Services, Public Health & Safety Advisory on Fentanyl, March 17, 2017.

<sup>2</sup> http://quickfacts.census.gov/qfd/states/47000.html

https://www.fda.gov/Drugs/DrugSafety/InformationbyDrugClass/ucm600092.htm

A pervasive, multi-dimensional epidemic like the one facing Tennessee requires a coordinated and collaborative response such as that proposed by the Applicant. At the proposed facility, the Applicant will provide medication-assisted treatment ("MAT") using methadone as well as counseling for persons dependent on opioids. As later discussed, with over 100 years of combined experience, the Applicant's leadership is well-qualified to manage the facility. Combining pharmacologic therapy with behavioral counseling is significantly more effective than either service alone; the Applicant will offer these services together. Other services will include physical and psychosocial assessments; screenings for other drugs and illnesses; coordination of care with prescribing physicians; and referral services for mental health, medical, vocational, and educational needs.

## 2) Ownership structure;

Response: The Applicant is a South Carolina limited liability company, registered to do business in Tennessee, with the following members and ownership interests: Dr. Richard Sherman - 35%; Dr. Stephen Loyd - 35%; Pam Whitmire - 10%; Yoni Mizhari - 10%; Joy Bailley - 5%; and Amy Shroyer - 5%.

## 3) Service area;

**Response**: The Applicant anticipates serving the residents of Cocke, Sevier, Jefferson, Hamblen, Greene, Hawkins and Grainger counties.

4) Existing similar service providers;

**Response**: There are no existing similar service providers to the Applicant in its service area. The closest such providers are in Knox and Washington counties.

5) Project cost;

**Response**: The Applicant anticipates the project costs will be approximately \$554,000, which includes the purchase and renovation of the building.

6) Funding;

**Response**: The funding shall be provided by those members who have 10% or more interest; the members with 5% are what is known as "sweat equity" members.

7) Financial Feasibility including when the proposal will realize a positive financial margin; and

**Response:** The Applicant anticipates a minimal negative free cash flow of (36,393.47) in Year 1 and a positive free cash flow in Year 2 of \$646,355.76.

#### 8) Staffing;

Response: The applicant anticipates staffing the first year with approximately seven direct patient care positions, including a Director of Nursing, RN, LPN, Administrator,

and Counselors. In addition, it anticipates having a Medical Director that will be a .5 FTE the first year of operation.

## B. Rationale for Approval

A certificate of need can only be granted when a project is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of adequate and effective health care in the service area. This section should provide rationale for each criterion using the data and information points provided in Section B. of this application. Please summarize in one page or less each of the criteria:

## 1) Need;

Response: Addiction is a life-long medical condition; it cannot be cured, but it can be managed. Addiction to opioids-including prescription pain medications and drugs like morphine and heroin-presents a formidable, often unseen threat to the health of Tennesseans. Prescription painkillers are now the primary substance abused by Tennessee residents, outranking alcohol, and Tennesseans are three times more likely than other Americans to identify prescription painkillers as their primary substance of abuse. In 2011, 78% of those receiving OTP services were abusing prescription painkillers alone, while 17% were addicted to both prescription painkillers and heroin.<sup>4</sup>

In a Public Health & Safety Advisory on Fentanyl released in March, 2017, the Tennessee Department of Health, Tennessee Department of Mental Health and Substance Abuse Services, Tennessee Department of Safety & Homeland Security and the Tennessee Bureau of Investigation urge Tennesseans to have heightened awareness about misuse of fentanyl and the risks for overdose deaths associated with improper use, including the substantial risk posed by counterfeit prescription or other illegal drugs that may contain fentanyl or similar powerful compounds. From 2013 to 2015 in Tennessee, the appearance of fentanyl in drugs associated with overdose deaths more than doubled, from five percent in 2013 to 12 percent in 2015. Overdose deaths had opioids present 71% of the time, with heroin present 14% of the time and fentanyl present 12% of the time.<sup>5</sup>

The rate of synthetic opioid overdose deaths continues to rise. In the U.S. the number rose from 3.1 to 6.2 deaths per 100,000 persons between 2015 and 2016, marking the first year that synthetic opioids became the most common type of opioid involved in all opioid overdose deaths. The trend continues into 2017, with preliminary counts from the National Center for Health Statistics indicating that more than 55% of opioid overdose deaths occurring nationally in the 12-months ending November 2017 involved synthetic opioids, accounting for more than 27,000 overdose deaths. This 12-month sum of synthetic opioid overdose deaths exceeds the total number of all opioid

https://www.fda.gov/Drugs/DrugSafety/InformationbyDrugClass/ucm600092.htm

<sup>&</sup>lt;sup>4</sup> TDMHSAS, Prescription for Success: Statewide Strategies to Prevent and Treat the Prescription Drug Abuse Epidemic in Tennessee 8-9 (2014).

overdose deaths in 2013, when deaths involving synthetic opioids first began to increase.<sup>6</sup>

An estimated 221,000 adults in Tennessee used prescription painkillers for non-medical purposes in 2013, a figure that encompasses nearly 1 in 20 residents. Of these, an estimated 69,100 are addicted. Tennesseans abusing prescription painkillers are more likely to be married, employed, and have greater than 12 years of education. Those living in rural areas are twice as likely to overdose on prescription drugs as people living in cities.<sup>7</sup>

Tennessee has worked in recent years to combat painkiller addiction through prescription drug monitoring programs, which have successfully reduced the supply of legally prescribed opioids available to those who might abuse them.<sup>8</sup> However, as prescription medications have become more expensive and limited, Tennesseans struggling with addiction have turned elsewhere for relief.<sup>9</sup>

It is well established that when treating opioid dependence, the best success rates are derived from a combination of medication assistance and counseling. The Applicant will provide medical, counseling, vocational, educational, and mental health referrals to appropriate professionals as needed, and social services to patients enrolled in the OTP. Treatment services will include individualized treatment planning, individual and group counseling, physician-directed medical care, treatment medication, and coordination with community resources and service professionals for other treatment services.

The Applicant's approach to medication-assisted treatment recognizes that opioid dependence is a complex medical disease, and, as such, a comprehensive individualized treatment plan will be developed for each patient after an orientation session designed to make each patient aware of the program's goals and services offered. The treatment program's goals are to promote patient health and recovery, reduce symptoms, help patients manage triggers, develop personal growth, and promote positive relationships with family, friends, and the community.

The treatment plan will address medical factors as well as individual psychological and social factors. As part of the treatment plan, the Applicant will provide physical and psychosocial assessments, laboratory screening, drug screening, liver function test, tuberculosis and syphilis screening, coordination of care with prescribing physicians, substance abuse counseling, and referral services for mental health, medical, vocational, and educational needs.

The Applicant will provide MAT utilizing methadone<sup>10</sup> which has been in use as a primary form of treatment for opioid addiction and dependence for over 40 years. The Centers for Disease Control and Prevention reports that methadone maintenance

<sup>&</sup>lt;sup>6</sup> CDC Health Alert Network, "CDC Health Update," July 11, 2018.

<sup>&</sup>lt;sup>7</sup> Sources: <a href="http://healthyamericans.org/assets/files/TFAH2013RxDrugAbuseRptFINAL.pdf">http://healthyamericans.org/assets/files/TFAH2013RxDrugAbuseRptFINAL.pdf</a> at 9 and Prescription for Success, 9.

<sup>8</sup> http://www.ncbi.nlm.nih.gov/pmc/articles/PMC4307729/

http://www.samhsa.gov/data/sites/default/files/DR006/DR006/nonmedical-pain-reliever-use-2013.htm

<sup>&</sup>lt;sup>10</sup> "Methadone" (trade name Dolophine) is a synthetic opioid agonist approved by the FDA for detoxification and maintenance treatment of opioid addition. Rules of the Tennessee Department of Mental Health and Developmental Disabilities, Chapter 0940 05-42: Definitions.

treatment ("MMT") reduces drug use, disease rates, criminal activity, and mortality-the median death rate of opioid-dependent individuals in MMT is 30 percent of the rate of those not in MMT-among opioid addicted persons. <sup>11</sup> In addition to the health and public safety value of MAT, there is an economic benefit. Illicit drug use leads to lost productivity at work, health care fees, and costs associated with the criminal justice system.

Patients will receive a daily oral dose of methadone, which is proven to eliminate withdrawal symptoms and cravings from prior opioid abuse without producing a high. Methadone is a synthetic, non-harmful opioid producing stabilizing effects that last approximately 24 hours but which will not interfere with employment and family responsibilities. Dosage amounts are always set by the Medical Director after appropriate assessment. During the first 90 days of treatment for newly admitted patients, all doses will be administered in the clinic by a trained program nurse.

Additionally, the Applicant will assist patients in locating other types of resources including support groups, clothing assistance, financial assistance, education, employment opportunities, food programs, housing and shelter, primary health care, emergency mental health treatment, crisis lines, additional counseling and family services, and assistance for individuals with developmental delays and other disabilities.

The Applicant will conduct evaluations to gauge growth potential through surveys, self-assessments, and evolving field-recognized research. The Applicant will implement improvement plans based on the results of these evaluations. The Applicant will meet or exceed all minimum program requirements for Non-Residential Substitution Based Treatment Centers for Opioid Addiction, as set forth in the Rules of TDMHSAS.

A patient's typical length of participation in the MAT program will vary depending on the patients' individualized needs. MAT generally requires a commitment by the patient to at least six to twelve months of treatment. Patients will be educated during orientation and during their initial assessment about the anticipated length of treatment.

The Applicant will tailor treatment plans to meet the needs of each patient, with the understanding that every patient can potentially be opiate free. The Applicant will offer patients individual and group counseling that focuses on the necessary components of a drug-free lifestyle, such as a support network and accountability partners.

The Applicant will conduct post-discharge follow up with patients who leave treatment, either via a planned or unplanned discharge. The Applicant will contact patients at identified points post-discharge by calling patients, who, if reached, will be asked a series of questions regarding their experience since leaving treatment. The Applicant will inquire into the circumstances that led to the patient's discharge, the patient's employment status, whether the patient has relapsed on opioids, whether the patient is receiving any type of substance abuse treatment, whether the services the patient received in treatment were helpful and met their needs, and whether the patient has encountered any legal complications since leaving treatment.

4834-6134-3079.26

<sup>11</sup> CDC, Methadone Maintenance Treatment, IDU/HIV Prevention Series, February 2002, http://www.nhts.net/media/Methadone%20Maintenance%20Treatment%20(20).pdf.

There are three drugs approved by the FDA for the treatment of opioid dependence: methadone, buprenorphine, and naltrexone. All three of these treatments have been demonstrated to be safe and effective in combination with counseling and psychosocial support. Everyone who seeks treatment for an OUD should be offered access to all three options as this allows providers to work with patients to select the treatment best suited for an individual's needs<sup>12</sup>.

It is clear from all sources that there is an opioid epidemic and crisis in Tennessee. The area hardest hit would appear to be east Tennessee. In a 2016 SAMHSA report, "Potential Areas for Addressing Service Gaps for Opioid Treatment," MAT facility maps identify areas on a state-by-state basis that may be potentially underserved by existing treatment facilities. The maps are created with a methodology that seeks to include the highest potential need areas from individual counties so that county-level stakeholders are also informed. The maps are meant to be used as a tool for policy makers to determine potentially underserved areas not as a definitive representation of these areas. In East Tennessee, Cocke and Greene Counties are identified as an area showing a large service gap for opioid treatment. Therefore, it is recognized that the service area chosen by the Applicant needs this treatment option to better meet the health care needs of service area residents. See map of Tennessee's Potential Areas for Addressing the Service Area Gaps for Opioid Treatment included as Attachment Section A, Executive Summary, Need-B-1.

Most people that make the decision to seek treatment have experienced significant consequences as a result of their addiction – financial, relational, employment, legal or health, or a combination of these consequences. They have reached a point where they understand they cannot continue what they have been doing and know that they must consider a change. They are willing to take the step into treatment in hopes that they will see a turnaround in the condition in which they find themselves. Patients come from all walks of life; just as you cannot look at a patient with a medical condition like cancer, you cannot look at a person and know they have an addiction problem. While many patients who present for treatment are not employed, there are those who are in both the "blue collar" and the professional world – working in the medical field, social service field, management, etc. MAT utilizing methadone is also safe for use by pregnant women, who are especially in need of safe, effective treatment.

The hours of operation for a MAT program are strategic. Experience shows that the busiest time of day is often when the facility first opens in the morning. Many patients are attempting to normalize their lives – the early hours allow for them to take care of their treatment responsibilities and return to their lives and responsibilities. For some, that is to return to their community in time to be to work on time or to be home in time to get their children to school.

While there is no formula for determining need for services, there is no option for MAT treatment using methadone in the service area, and this area has been identified as underserved. It will not be possible to stem the flow of this epidemic and meet the

<sup>12</sup> https://www.fda.gov/Drugs/DrugSafety/InformationbyDrugClass/ucm600092.htm

health care needs of area residents until there are sufficient treatment options available.

The Applicant will offer an affordable, comprehensive, and highly effective treatment program to the service area.

## 2) Economic Feasibility;

**Response:** The Applicant anticipates a minimal negative free cash flow of (36,393.47) in Year 1 and a positive free cash flow in Year 2 of \$646,355.76.

## 3) Appropriate Quality Standards; and

Response: The owners and management team for the Applicant have significant experience in operating similar facilities in other states-collectively almost 100 years. Those facilities are all CARF Accredited, just as this proposed facility will be. Members of the Applicant also have established internal processes for monitoring compliance issues as well, which will be implemented for this facility. Clinical Supervisors also have a system and process internally for monthly monitoring of various aspects connected to a patient's treatment, in accordance with required regulations. A performance management system is also employed for those employees who might fail to complete functions of this job, as well as the provision of annual performance evaluations for the employees.

## 4) Orderly Development to adequate and effective health care.

Response: According to the Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS) report "Prescription for Success: Statewide Strategies to Prevent and Treat the Prescription Drug Abuse Epidemic in Tennessee," prescription drug abuse is a pervasive, multi-dimensional issue impacting Tennessee individuals, families, and communities. The abuse of prescription drugs, specifically opioids, is an epidemic in Tennessee, with disastrous and severe consequences to Tennesseans of every age including: overdose deaths, emergency department visits, hospital costs, newborns with Neonatal Abstinence Syndrome, children in state custody, and people incarcerated for drug-related crimes.

In a 2016 SAMHSA report, "Potential Areas for Addressing Service Gaps for Opioid Treatment," MAT facility maps identify areas on a state-by-state basis that may be potentially underserved by existing treatment facilities. The maps are created with a methodology that seeks to include the highest potential need areas from individual counties so that county-level stakeholders are also informed. The maps are meant to be used as a tool for policy makers to determine potentially underserved areas - not as a definitive representation of these areas. In East Tennessee, Cocke and Greene Counties are identified as an area showing a large service gap for opioid treatment. Therefore, it is recognized that the service area chosen by the Applicant needs this treatment option to better meet the health care needs of service area residents. See map of Tennessee's Potential Areas for Addressing the Service Area Gaps for Opioid Treatment included as Attachment Section A, Executive Summary, Need-B-1.

The closest existing similar treatment options in Tennessee to those proposed by the Applicant are in Knox and Washington counties, which range from 31 to 94 miles

away. The Applicant's proposed site is closer to every county in the service area with the exception of Grainger, and it is less than seven miles farther away. Given the pervasive abuse of prescription drugs in Tennessee, especially Eastern Tennessee, and the lack of similar treatment options in the Applicant's service area, the addition of this facility would contribute to the orderly development of adequate and effective health care by providing a necessary treatment option.

## C. Consent Calendar Justification

If Consent Calendar is requested, please provide the rationale for an expedited review.

A request for Consent Calendar must be in the form of a written communication to the Agency's Executive Director at the time the application is filed.

Response: Not applicable.

## 4. SECTION A: PROJECT DETAILS

Α.	Owner of the Facility, Agency or Institution		
	New Hope Treatment Center of Tennessee, LLC Name 135 Fox and Hound Street or Route Newport City	Tennessee State	865-527-1250 Phone Number Cocke County 37821 Zip Code
В.	Type of Ownership of Control (Check One)		
	A. Sole Proprietorship F. B. Partnership G. C. Limited Partnership G. D. Corporation (For Profit) H. E. Corporation (Not-for-Profit) I.	Government (State of TN or Political Subdivision) Joint Venture Limited Liability Company Other (Specify)	<u>X</u>
exis Sec	nch a copy of the partnership agreement, or contented the settence. Please provide documentation of the active terms of State's web-site at <a href="https://tnbear.tn.gov/etion A-4A">https://tnbear.tn.gov/etion A-4A</a> .	ive status of the entity from	the Tennessee
	<b>sponse:</b> See copy of organizational documents an tion A-4A.	d organizational chart include	ed as <u>Attachment</u>
stru the enti	scribe the existing or proposed ownership structure organizational chart. Explain the corporate so ownership structure relate to the applicant. As applying and each member's percentage of ownership, for rect) interest.	ructure and the manner in whicable, identify the members	nich all entities of of the ownership
5.	Name of Management/Operating Entity (If Ap	plicable)	
	Not applicable Name		
	Street or Route	-	County
	City	State	Zip Code
	Website address:		-
a di to b mei	r new facilities or existing facilities without a curre raft management agreement that at least includes the re provided, the anticipated term of the agreement, a thodology and schedule. For facilities with existing in the executed final contract. Attachment Section A-5.	ne anticipated scope of manag and the anticipated managem management agreements, atta	gement services ent fee payment

## 6A. Legal Interest in the Site of the Institution (Check One) Ownership Option to Lease <u>X</u> E. Other (Specify) B. Option to Purchase Lease of C. Years Check appropriate line above: For applicants or applicant's parent company/owner that currently own the building/land for the project location, attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements must Lease/Option to Lease Agreements must include the include anticipated purchase price. actual/anticipated term of the agreement and actual/anticipated lease expense. The legal interests described herein must be valid on the date of the Agency's consideration of the certificate of need application.

**Response**: See copy of Option to Lease, Option to Purchase and Deed included as <u>Attachment</u> Section A-6A.

- 6B. Attach a copy of the site's plot plan, floor plan, and if applicable, public transportation route to and from the site on an 8 1/2" x 11" sheet of white paper, single or double-sided. <u>DO NOT SUBMIT BLUEPRINTS</u>. Simple line drawings should be submitted and need not be drawn to scale.
  - 1) Plot Plan must include:
    - a. Size of site (in acres);
    - b. Location of structure on the site;
    - c. Location of the proposed construction/renovation; and
    - d. Names of streets, roads or highway that cross or border the site.

**Response**: See plot plan included as Attachment Section A-6B-1.

2) Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. On an 8 ½ by 11 sheet of paper or as many as necessary to illustrate the floor plan.

Response: See floor plan included as Attachment Section 6B-2.

3) Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

Attachment Section A-6A, 6B-1 a-d, 6B-2, 6B-3.

**Response:** The Applicant's facility will be located on Fox and Hound Way in Newport, Cocke County. Fox and Hound Way is off of Hwy 25, a major highway, and is 2 miles from Interstate 40 which connects east and west Tennessee. The site is also accessible via ETHRA, a non-profit public, transportation system serving Eastern Tennessee. See Attachment Section A-6B-3.

7.	Type of Institution (Check as appropriatemore than one response may apply)
Ch	A. Hospital (Specify)
8.	Purpose of Review (Check) as appropriatemore than one response may apply)
<b>o</b> .	A. New Institution  B. Replacement/Existing Facility C. Modification/Existing Facility D. Initiation of Health Care Service as defined in TCA § 68-11-1607(4) (Specify) E. Discontinuance of OB Services F. Acquisition of Equipment  G. Change in Bed Complement  [Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation H. Change of Location I. Other (Specify)  II. Other (Specify)
9.	Medicaid/TennCare, Medicare Participation
	MCO Contracts [Check all that apply] AmeriGroupUnited Healthcare Community PlanBlueCareTennCare Select  Medicare Provider Number:  Medicaid Provider Number:
	Certification Type:  If a new facility, will certification be sought for Medicare and/or Medicaid/TennCare?
	*MedicareYesNo XN/A *Medicaid/TennCareYesNo XN/A
	*Please note that Medicare and Medicaid do not currently provide reimbursement for these services.

E	Bed	Complement	t Data					Res	ponse: Not	applicable.
A.	Ple	ease indicate curre	ent and proposed di	stribution a	nd certific	cation of fac	ility beds.			
				Curren: License	_	Beds taffed	Beds Proposed	*Beds Approved	**Beds Exempted	TOTAL Beds at Completion
	1)	Medical				-				
	2)	Surgical								
	3)	ICU/CCU								
	4)	Obstetrical								
	5)	NICU								
	6)	Pediatric								
	7)	Adult Psychiatric	;							
	8)	Geriatric Psychia	atric							
		Child/Adolescent								
1	0)	Rehabilitation								
1	1)	Adult Chemical D	Dependency							
1.	2)	Child/Adolescent Dependency	t Chemical							
1	3)	Long-Term Care	Hospital							
1	4)	Swing Beds								
1	5)	Nursing Home – (Medicare only)	SNF							
1	6)	Nursing Home – (Medicaid only)	NF							
1	7)	Nursing Home – certified Medicar								
1	8)	Nursing Home – (non-certified)	Licensed							
1	9)	ICF/IID								
2	0)	Residential Hosp	oice							
	TOT	ΓAL								
	*Be	ds approved but i	not yet in service	**Beds	exempte	ed under 10	% per 3 yea	r provision		
В. С.	ex R	disting services. A esponse: Not a	ons for change in the Attachment Section applicable.  The applicant the applicant in the ap	ion A-10.						
O <sub>3</sub>	C		plicable, complet			eruncate (	need pro	ojecis illat ni	ave a licelis	ed bed change
			CON Numb	er(s)		Expiration Date		censed Beds proved		

11. Home Health Care Organizations – Home Health Agency, Hospice Agency (excluding Residential Hospice), identify the following by checking all that apply: **Response:** Not applicable.

	Existing Licensed County	Parent Office County	Proposed Licensed County		Existing Licensed County	Parent Office County	Proposed Licensed County
Anderson				Lauderdale		County	
Bedford				Lawrence			
				Lewis			
Benton							
Bledsoe				Lincoln			
Blount				Loudon			
Bradley				McMinn			
Campbell				McNairy			
Cannon				Macon			
Carroll				Madison			
Carter				Marion			
Cheatham				Marshall			
Chester				Maury			
Claiborne				Meigs			
Clay				Monroe			
Cocke				Montgomery			
Coffee				Moore			
Crockett				Morgan			
Cumberland				Obion			
Davidson				Overton			
Decatur				Perry			
DeKalb				Pickett			
Dickson				Polk			
				Putnam			
Dyer							
Fayette				Rhea			
Fentress				Roane			
Franklin				Robertson			
Gibson				Rutherford			
Giles				Scott			
Grainger				Sequatchie			
Greene				Sevier			
Grundy				Shelby			
Hamblen				Smith			
Hamilton				Stewart			
Hancock				Sullivan			
Hardeman				Sumner			
Hardin				Tipton			
Hawkins				Trousdale			
Haywood				Unicoi			
Henderson				Union			
Henry				Van Buren			
Hickman				Warren			
Houston				Washington			
Humphreys				Wayne			
Jackson				Weakley			
Jefferson				White			
				Williamson			
Johnson				Wilson			
Knox				VVIISUN			
Lake					1 2 20	11 37//0	THE CHIEF TO

12. Square Footage and Cost Per Square Footage Chart Response: Not applicable.

12. Oquale	Square Poolage and Cost Fer Square Poolage Chart		Proposed Final Square Footage				
	Existing	Existing	Temporary	Proposed Final	Proposed	Final Square	rootage
Unit/Department	Location	SF	Location	Location	Renovated	New	Total
Linit/Department			-				
Unit/Department GSF Sub-Total							
			<del> </del>				
Other GSF Total							
Total GSF							
	Way In Salling	NE N. 17 (VS)		The Control of the Co			
*Total Cost							
***							
**Cost Per Square Foot							
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(For quartile							
www.tn.gov/hsda)					☐ Between	☐ Between	□ Between
					2 <sup>nd</sup> and 3 <sup>rd</sup> Quartile	2 <sup>nd</sup> and 3 <sup>rd</sup> Quartile	2 <sup>nd</sup> and 3 <sup>rd</sup> Quartile
							Quartile
					☐ Above 3 <sup>rd</sup>	☐ Above	☐ Above
					Quartile	3 <sup>rd</sup> Quartile	3 <sup>rd</sup> Quartile

<sup>\*</sup> The Total Construction Cost should equal the Construction Cost reported on line A5 of the Project Cost Chart.

<sup>\*\*</sup> Cost per Square Foot is the construction cost divided by the square feet. Please do not include contingency costs.

## 13. MRI, PET, and/or Linear Accelerator

- 1. Describe the acquisition of any Magnetic Resonance Imaging (MRI) scanner that is adding a MRI scanner in counties with population less than 250,000 or initiation of pediatric MRI in counties with population greater than 250,000 and/or
- 2. Describe the acquisition of any Positron Emission Tomographer (PET) or Linear Accelerator if initiating the service by responding to the following:
- A. Complete the chart below for acquired equipment.

Response: Not applicable.

Linear Accelerator	Mev Total Cost*:	Types:  By Purchase By Expected Useful Lease Life (yrs) Refurbished old? (yrs)
MRI	Tesla: Total Cost*:	Magnet: Breast   Extremity   Open   Short Bore   By   Purchase   By   Expected Useful   Lease   Life (yrs)   If not new, how   old? (yrs)
PET	□ PET only  Total Cost*:  □ New	□ PET/CT □ PET/MRI □ By Purchase □ By Expected Useful Lease Life (yrs) □ Refurbished □ If not new, how old? (yrs)

B. In the case of equipment purchase, include a quote and/or proposal from an equipment vendor. In the case of equipment lease, provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments along with the fair market value of the equipment.

Response: Not applicable.

C. Compare lease cost of the equipment to its fair market value. Note: Per Agency Rule, the higher cost must be identified in the project cost chart.

<sup>\*</sup> As defined by Agency Rule 0720-9-.01(13)

Response: Not applicable.

D. Schedule of Operations:

Location	Days of Operation (Sunday through Saturday)	Hours of Operation (example: 8 am – 3 pm)
Fixed Site (Applicant)	N/A	N/A
Mobile Locations	NI/A	NIA
(Applicant) (Name of Other Location)	N/A	N/A
(Name of Other Location)	——————————————————————————————————————	

E. Identify the clinical applications to be provided that apply to the project.

Response: Not applicable.

F. If the equipment has been approved by the FDA within the last five years provide documentation of the same.

Response: Not applicable.

## SECTION B: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with T.C.A. § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of health care." Further standards for guidance are provided in the State Health Plan developed pursuant to T.C.A. § 68-11-1625.

The following questions are listed according to the four criteria: (1) Need, (2) Economic Feasibility, (3) Applicable Quality Standards, and (4) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. Please type each question and its response on an 8 1/2" x 11" white paper, single-sided or double sided. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer, unless specified otherwise. If a question does not apply to your project, indicate "Not Applicable (NA)."

#### **QUESTIONS**

## SECTION B: NEED

A. Provide a response to each criterion and standard in Certificate of Need Categories in the State Health Plan that are applicable to the proposed project. Criteria and standards can be obtained from the Tennessee Health Services and Development Agency or found on the Agency's website at http://www.tn.gov/hsda/article/hsda-criteria-and-standards.

## NON-RESIDENTIAL METHADONE TREATMENT FACILITIES (NRMTF)

A non-residential narcotic treatment facility should provide adequate medical, counseling, vocational, educational, mental health assessment, and social services to patients enrolled in the opioid treatment program with the goal of the individual becoming free of opioid dependency.

## Need

The need for non-residential narcotic treatment facilities should be based on information prepared by the applicant for a certificate of need which acknowledges the importance of considering the demand for services along with need and addressing and analyzing service problems as well.

The assessment should cover the proposed service area and include the utilization of existing service providers, scope of services provided, patient origin, and patient mix.

The assessment should consider that the users of opiate drugs are the clients at non-residential narcotic treatment facilities, and because of the illegal nature of opiate drug use,

data will be based on estimates, actual counts, arrests for drug use, and hospital admittance for drug abuse.

**Response:** Americans are the largest consumers of prescription opioids in the world. While these drugs are important in helping individuals cope with chronic and acute pain, they are frequently misused. The opioid epidemic has hit Tennessee particularly hard. Tennessee has one of the highest rates of opioid prescriptions in the United States. Prescription opioids have surpassed alcohol as the primary substance of abuse for treatment funded by the TDMHSAS. This epidemic has resulted in higher opioid-related health care costs, more drug-related crimes, decreased work productivity, more children in state custody, and a 10-fold rise in babies born with neonatal abstinence syndrome. <sup>13</sup>

Addiction is a life-long medical condition; it cannot be cured, but it can be managed. Addiction to opioids-including prescription pain medications and drugs like morphine and heroin-presents a formidable, often unseen threat to the health of Tennesseans. Prescription painkillers are now the primary substance abused by Tennessee residents, outranking alcohol, and Tennesseans are three times more likely than other Americans to identify prescription painkillers as their primary substance of abuse. In 2011, 78% of those receiving OTP services were abusing prescription painkillers alone, while 17% were addicted to both prescription painkillers and heroin.<sup>14</sup>

An estimated 221,000 adults in Tennessee used prescription painkillers for non-medical purposes in 2013, a figure that encompasses nearly 1 in 20 residents. Of these, an estimated 69,100 are addicted. Tennesseans abusing prescription painkillers are more likely to be married, employed, and have greater than 12 years of education. Those living in rural areas are twice as likely to overdose on prescription drugs as people living in cities. <sup>15</sup>

There were 6,024 discharges from Tennessee hospitals in 2014 resulting from opiate-related drug poisonings. The majority of drug poisonings (90%) were associated with prescription opioid use. While the number of hospital discharges for all opioid poisonings has remained relatively stable from 2009 to 2014, the number of hospitalizations for heroin overdose has increased eight times from 66 discharges in 2009 to 489 in 2014<sup>16</sup>.

In a Public Health & Safety Advisory on Fentanyl released in March, 2017, the Tennessee Department of Health, Tennessee Department of Mental Health and Substance Abuse Services, Tennessee Department of Safety & Homeland Security and the Tennessee Bureau of Investigation urge Tennesseans to have heightened awareness about misuse of fentanyl and the risks for overdose deaths associated with improper use, including the substantial risk posed by counterfeit prescription or other illegal drugs that may contain fentanyl or similar powerful compounds. From 2013 to 2015 in Tennessee, the appearance of fentanyl in drugs associated with overdose deaths more than doubled, from five percent

<sup>&</sup>lt;sup>13</sup> The Opioid Epidemic in Tennessee August 3, 2017, SycamoreInstituteTN.org

<sup>&</sup>lt;sup>14</sup> TDMHSAS, Prescription for Success: Statewide Strategies to Prevent and Treat the Prescription Drug Abuse Epidemic in Tennessee 8-9 (2014).

<sup>&</sup>lt;sup>15</sup> Sources: http://healthyamericans.org/assets/files/TFAH2013RxDrugAbuseRptFINAL.pdf at 9 and Prescription for Success. 9.

<sup>&</sup>lt;sup>16</sup> TDMHSAS, "Tennessee Epidemiological Profile of Alcohol and Drug Misuse and Abuse," 2016.

in 2013 to 12 percent in 2015. Overdose deaths had opioids present 71% of the time, with heroin present 14% of the time and fentanyl present 12% of the time. <sup>17</sup>

Tennessee has worked in recent years to combat painkiller addiction through prescription drug monitoring programs, which have successfully reduced the supply of legally prescribed opioids available to those who might abuse them. In addition Tennessee has included recurring funds related to substance abuse prevention and treatment in its budget. For example, the recurring funds include \$6.0 million to expand safety net treatment and recovery services and \$1.3 million to expand recovery courts, which provide alternative sentencing and treatment services for non-violent offenders with substance abuse and/or mental health issues. However, as prescription medications have become more expensive and limited, Tennesseans struggling with addiction have turned elsewhere for relief. In the substance and limited, Tennesseans struggling with addiction have turned elsewhere for relief.

A patient's typical length of participation in the MAT program will vary depending on the patient's individualized needs. MAT generally requires a commitment by the patient to at least six to twelve months of treatment. Patients will be educated during orientation and during their initial assessment about the anticipated length of treatment.

The Applicant will tailor treatment plans to meet the needs of each patient, with the understanding that every patient can potentially be opiate free. The Applicant will offer patients individual and group counseling that focuses on the necessary components of a drug-free lifestyle, such as a support network and accountability partners.

The Applicant will conduct post-discharge follow up with patients who leave treatment, either via a planned or unplanned discharge. The Applicant will contact patients at identified points post-discharge by calling patients, who, if reached, will be asked a series of questions regarding their experience since leaving treatment. The Applicant will inquire into the circumstances that led to the patient's discharge, the patient's employment status, whether the patient has relapsed on opioids, whether the patient is receiving any type of substance abuse treatment, whether the services the patient received in treatment were helpful and met their needs, and whether the patient has encountered any legal complications since leaving treatment.

The assessment should also include:

A description of the geographic area to be served by the program;

**Response**: The geographic area to be served by the Applicant includes Cocke, Sevier, Jefferson, Hamblen, Grainger, Hawkins and Greene counties.

2. Population of area to be served;

**Response:** The service area's total population is approximately 397,466 and is expected to grow by 10,235 residents between 2018 and 2020. The adult population (age 20 plus) is 305,924 for 2018 and is expected to grow to 316,628 by 2020.

<sup>&</sup>lt;sup>17</sup> https://www.fda.gov/Drugs/DrugSafety/InformationbyDrugClass/ucm600092.htm

http://www.ncbi.nlm.nih.gov/pmc/articles/PMC4307729/

<sup>&</sup>lt;sup>19</sup> http://www.samhsa.gov/data/sites/defaLilt/files/DR006/DR006/nonmedical-pain-reliever-use-2013.htm

3. The estimated number of persons, in the described area, addicted to heroin or other opioid drugs and an explanation of the basis of the estimate;

**Response:** The Applicant estimates that there are approximately 15,679 adults in the service area who are addicted to opioids. This estimate is derived using the following data:

- Tennessee's Department of Mental Health and Substance Abuse Services report, "Prescription for Success: Statewide Strategies to Prevent and Treat the Prescription Drug Abuse Epidemic in Tennessee," found that 221,000 adults in Tennessee (4.56%) had used pain relievers for non-medical purposes in 2011. This figure does not account for heroin use. Applied to the service area adult population, this percentage yields approximately 14,414 individuals in the proposed service area using prescription pain relievers for non-medical purposes in 2020.
- The Substance Abuse and Mental Health Services Administration (SAMHSA) reports that, nationally, 0.4% of adults used heroin in 2014, which yields an estimate of 1,265 heroin users in the Applicant's service area for 2020.
- Therefore, combining the estimated number of adults using heroin and prescription drugs for non-medical purposes, the service area has approximately 15,679 opioid users.
- The Tennessee Bureau of Investigation reported 1,924 instances of drug reports related to heroin, morphine, and opium in 2013. Extrapolated to the Applicant's proposed service area, the number of reports would be approximately 122. This figure is a low estimate because it does not include the number of reported instances of prescription pain killer use for the year, and thus, does not provide a reliable estimate of the number of opioid users requiring treatment in the service area.
- Opioid abuse is a growing problem in the nation, and in Tennessee in particular. As heroin addiction has more than doubled nationwide in the past decade, Tennessee has also been hit by this crisis.<sup>20</sup> Recent statistics from the Tennessee Department of Health show that 1,263 deaths occurred in Tennessee from opioid overdoses in 2014, surpassing deaths from car accidents or gunshots.<sup>21</sup>

In 2012, opioids overtook alcohol as the "primary substance of abuse" for persons in treatment. The graph below from TDMHSAS' *Prescription for Success*<sup>22</sup>

http://tn.govimental/prescriptionforsuccess/Prescription\*/020For%20Success.pdf Page10.

<sup>&</sup>lt;sup>20</sup> Todd Barnes, Tennessee's prescription drug abuse fuels rise in heroin, The Tennessean, July 14, 2015, available at

http://www.tennessean.com/story/money/industries/health-care/2015/07/13/tennessees-prescription-drugabuse-fuels-rise-heroin/30115451/

<sup>&</sup>lt;sup>21</sup> Associated Press, Overdose deaths reach 'epidemic proportions' in Tennessee, September 28, 2015, available at <a href="http://www.timesfreepress.com/news/local/story/2015/sep/28/state-1263-tennesseans-died-opioid-overdoses-2014/327649/">http://www.timesfreepress.com/news/local/story/2015/sep/28/state-1263-tennesseans-died-opioid-overdoses-2014/327649/</a>

illustrates this dramatic shift and the need for prevention and treatment efforts to address the urgent needs of this growing segment of the population.

The need for services is particularly strong in the service area, as it is largely comprised of individuals living in rural areas, who are twice as likely to overdose on prescription drugs as people living in cities.

The proposed service area consists of seven counties in northeastern Tennessee: Cocke, Sevier, Jefferson, Hamblen, Greene, Hawkins, and Grainger. Portions of the Applicant's service area have been identified as underserved.

4. The estimated number of persons, in the described area, addicted to heroin or other opioid drugs presently under treatment in methadone and other treatment programs;

Response: The National Survey on Drug Use and Health 2015-2016 report estimates that, 14,000 Tennesseans used heroin in 2015, and that 45,000 Tennesseans suffer from a use disorder related to prescription opioids. Overall, an estimated 323,000 Tennesseans are believed to suffer from an unmet need for treatment for substance abuse. Additionally, see the chart below for the number and percent of TDMHSAS-funded treatment admissions with prescription opioids as the primary substance of abuse for FY 2017.

County	Percentage of Admissions	Number of Admissions	Opioid Abuse per 10,000 individuals living in poverty
Cocke	69.0%	49	69.6
Grainger	77.1%	27	70.8
Greene	57.8%	108	104.1
Hamblen	60.2%	100	96.3
Hawkins	66.9%	85	98.5
Jefferson	70.3%	71	109.5
Sevier	71.2%	89	76.9

Source: 2017 Tennessee Behavioral Health County and Region Services Data Book

5. Projected rate of intake and factors controlling intake;

**Response:** The rate of intake will be approximately 20 patients per month in Year 1. The factors controlling intake include the mix of transfer patients versus new patients, who may require more time to admit, and the rate at which new patients become aware of the program. Additionally, intake rates are seasonal, with an increase of intakes during the spring and summer months.

6. Compare estimated need to existing capacity.

**Response:** There are no non-residential OTP providers in the Applicant's service area. The closest similar providers are in Knox and Washington counties. The Applicant estimates that the overwhelming percentage of patients who use our proposed location will be residents of the proposed service area. Therefore, this facility is necessary to help combat addiction issues in the service area.

Existing providers in the service area consist of physicians who offer only buprenorphine drug replacement therapy. Private physicians rarely offer on-site counseling in conjunction

with buprenorphine treatment. This type of treatment is often termed "dose and dash" because of the lack of behavioral counseling, drug testing, diversion monitoring, and individual treatment planning, which can be the difference between a successful recovery and relapse. Persons seeking treatment for opioid addiction often find buprenorphine treatment to be cost prohibitive. As previously stated, this area has been identified as underserved for MAT treatment options. Please see <a href="Attachment B">Attachment B</a>, <a href="Need">Need</a> - OTPs and Buprenorphine Providers for a map of the 13 OTPs in Tennessee and a list of the physician buprenorphine providers in the service area counties.

The Applicant will offer an affordable, comprehensive, and highly effective treatment program to the service area. Importantly, medication-assisted treatment utilizing methadone is also safe for use by pregnant women, who are especially in need of safe, effective treatment.

Also, consideration should be given to the reality that existing facilities can expand or reduce their capacity to maintain or treat patients without large changes in overhead.

**Response:** Not applicable. There are no existing facilities in the service area.

## Service Area

The geographic service area should be reasonable and based on an optimal balance between population density and service proximity.

**Response**: The geographic service area is reasonable given the prevalence of addiction in East Tennessee and the lack of available similar services. The distance from the Applicant to the counties in the service area ranges from 18 to 50 miles as opposed to 30 to 90 miles to the existing facilities in Knox and Washington counties.

For up to the first three months of treatment, state and federal regulations require new OTP patients to visit the facility in person for treatment, resulting in a near daily commute of six to seven days per week. For the next three months of treatment, patients must commute a minimum of 5 days per week, then 4 days per week for the next three months, then 1 day per week thereafter. In other words, for the first year of treatment, patients must travel to a treatment center over 200 days per year. Therefore, the closer the facility is to the patients, the better able they are to receive treatment and continue to hold a job and be fully functioning members of society.

Existing NSTCOA Service Area	Applicant, 135 Fox and Hound Way, Newport, TN	BHG Knoxville Bernard Treatment Center, Knoxville, TN	BHG Knoxville Citico Treatment Center, Knoxville, TN	Overmountain Recovery, Johnson City, TN	BHG Clyde, 414 Hospital Drive, Clyde, NC	BHG XXXVI (BHG Asheville Treatment Center), Asheville, NC	Western Carolina Treatment Center, Asheville, NC	Asheville Comprehensive Treatment Center, Asheville, NC	Crossroad Asheville, 6 Roberts Road, Asheville, NC	Katharos Sanctuary, 370 N. Louisiana Ave, Asheville, NC	Crossroads Treatment Center of Weaverville, NC
Cocke	23.5 mi/ 36 min	54.5 mi/ 1 h 2 min	54.1 mi/ 1 h 2 min	56.5 mi/ 1 h 23 min	49.4 mi/ 1 h 2 min	66.9 mi/ 1 h 20 min	57 mi/ 1 h 15 min	58,6 m/ 1 h 17 min	64.5 mi/ 1 h 22 min	59 mi/ 1 h 17 min	49.4 mi/ 1 h 8 min
Grainger	46.6 mi/ 57 min	39.8 mi/ 53 min	39.4 mi/ 54 min	76.6 mi/ 1 h 30 min	102 mi/ 1 h 51 min	120 mi 2 h 10 min	124 mi/ 2 h 15 min	124 mi/ 2 h 15 min	124 mi/ 2 h 13 min	122 mi/ 2 h 11 min	101 mi/ 2 h 10 min
Greene	29.2 mi/ 44 min	73.3 mi/ 1 h 15 min	72.9 mi/ 1 h 16 min	29.9 mi/ 45 min	75 mi 1 h 34 min	60.7 mi/ 1 h 21 min	54.5 mi/ 1 h 15 min	56.1 mi/ 1 h 17 min	62 mi/ 1 h 22 min	56.6 mi/ 1 h 17 min	47.5 mi/ 1 h 10 min
Hamblen	18.8 mi/ 28 min	49.3 mi/ 51 min	48.9 mi/ 52 min	59.5 mi/ 1 hr 6 min	74.7 mi/ 1 h 21 min	92.2 mi/ 1 h 40 min	96.5 mi/ 1 h 44 min	96.5 mi/ 1 h 45 min	96.2 mi/ 1 h 42 min	94.2 mi/ 1 h 40 min	47 mi/ 1 h 8 min
Hawkins	50.2 mi/ 59 min	70.1 mi/ 1 h 21 min	69.7 mi/ 1 h 23min	37.7 mi/ 45 min	101 mi/ 1 h 53 min	111 mi/ 1 h 54 min	105 mi/ 1 h 47 min	107 mi/ 1 h 49 min	113 mi/ 1 h 54 min	107 mi/ 1 h 49 min	93.1 mi/ 1 h 33 min
Jefferson	18.1 mi/ 20 min	31 mi/ 32 min	30.6 mi/ 32 min	71 mi/ 1 h 13 min	66 mi/ 1 h 12 min	83.5 mi/ 1 h 30 min	87.7 mi/ 1 h 33 min	87.8 mi/ 1 h 34 min	87.4 mi/ 1 h 31 min	85.5 mi/ 1 h 29 min	72.3 mi/ 1 h 33 min
Sevier	23.5 mi/ 36 min	35.2 mi/ 48 min	34.8 mi/ 49 min	94 mi/ 1 h 46 min	71.7 mi/ 1 h 29 min	89.3 mi/ 1 h 47 min	93.5 mi/ 1 h 50 min	93.5 mi/ 1 h 51 min	93.2 mi/ 1 h 47 min	91.2 mi/ 1 h 46 min	76.7 mi/ 1 h 50 min

Source: Google Maps 2018.

The relationship of the socio-demographics of the service area and the projected population to receive services should be considered. The proposal's sensitivity to and the responsiveness to the special needs of the service area should be considered including accessibility to consumers, particularly women, racial and ethnic minorities, and low-income groups.

Response: The service area has a significant number of low-income persons, with five of the seven counties having a higher percentage of persons below the poverty level than the state of Tennessee, and a higher percentage of those on TennCare in each county as compared to the state of Tennessee. The ability of patients to receive services closer to home increases accessibility to this necessary treatment option. Methadone is also a safe treatment for pregnant women. Given these facts, the Applicant will be better able to treat patients with varying ranges of opioid dependence and will be able to do so in greater numbers than a physician who is limited to prescribing buprenorphine and has volume limitations on his/her ability to take on patients.

## Relationship to Existing Applicable Plans

The proposals' estimate of the number of patients to be treated, anticipated revenue from the proposed project, and the program funding source with description of the organizational structure of the program delineating the person(s) responsible for the program, should be considered.

The proposals' relationship to policy as formulated in local and national plans, including need methodologies, should he considered,

Response: According to the Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS) report "Prescription for Success: Statewide Strategies to Prevent and Treat the Prescription Drug Abuse Epidemic in Tennessee," prescription drug abuse is a pervasive, multi-dimensional issue impacting Tennessee individuals, families, and communities. The abuse of prescription drugs, specifically opioids, is an epidemic in Tennessee, with disastrous and severe consequences to Tennesseans of every age including: overdose deaths, emergency department visits, hospital costs, newborns with Neonatal Abstinence Syndrome, children in state custody, and people incarcerated for drug-related crimes.

In a 2016 SAMHSA report, "Potential Areas for Addressing Service Gaps for Opioid Treatment," MAT facility maps identify areas on a state-by-state basis that may be potentially underserved by existing treatment facilities. The maps are created with a methodology that seeks to include the highest potential need areas from individual counties so that county-level stakeholders are also informed. The maps are meant to be used as a tool for policy makers to determine potentially underserved areas - not as a definitive representation of these areas. In East Tennessee, Cocke and Greene Counties are identified as an area showing a large service gap for opioid treatment. Therefore, it is recognized that the service area chosen by the Applicant needs this treatment option to better meet the health care needs of service area residents. See map of Tennessee's Potential Areas for Addressing the Service Area Gaps for Opioid Treatment included as Attachment Section A, Executive Summary, Need-B-1.

There are three drugs approved by the FDA for the treatment of opioid dependence: methadone, buprenorphine, and naltrexone. All three of these treatments have been demonstrated to be safe and effective in combination with counseling and psychosocial support. Everyone who seeks treatment for an OUD should be offered access to all three options as this allows providers to work with patients to select the treatment best suited for an individual's needs.<sup>23</sup>

The proposals' relationship to underserved geographic areas and underserved population groups, as identified in local plans and other documents, should be a significant consideration.

It is clear from all sources that there is an opioid epidemic and crisis in Response: Tennessee. The area hardest hit would appear to be east Tennessee. In a 2016 SAMHSA report, "Potential Areas for Addressing Service Gaps for Opioid Treatment," MAT facility maps identify areas on a state-by-state basis that may be potentially underserved by existing treatment facilities. The maps are created with a methodology that seeks to include the highest potential need areas from individual counties so that county-level stakeholders are also informed. The maps are meant to be used as a tool for policy makers to determine potentially underserved areas - not as a definitive representation of these areas. In East Tennessee, Cocke and Greene Counties are identified as an area showing a large service gap for opioid treatment. Therefore, it is recognized that the service area chosen by the Applicant needs this treatment option to better meet the health care needs of service area residents. See map of Tennessee's Potential Areas for Addressing the Service Area Gaps for Opioid Treatment included as Attachment Section A, Executive Summary, Need-B-1. While there is no formula for determining need for services, there is no option for MAT treatment using methadone in

<sup>&</sup>lt;sup>23</sup> https://www.fda.gov/Drugs/DrugSafety/InformationbyDrugClass/ucm600092.htm

the service area, and this area has been identified as underserved. It will not be possible to stem the flow of this epidemic until there are sufficient treatment options available.

The impact of the proposal on similar services supported by state appropriations should be assessed and considered.

Response: Not applicable.

The degree of projected financial participation in the Medicare and TennCare programs should be considered.

Response: Not applicable. The proposed project will not seek certification by Medicare because Medicare patients rarely seek OTP services. TennCare has a methadone benefit for enrollees younger than 21, and this facility will not serve patients younger than 18. Consequently, the only eligible TennCare patients would be patients 18-20 years of age and very few patients in this age range seek treatment based on the experience of the Applicant's owners. Moreover, the process to become a TennCare provider and contract with MCOs involves a number of operational issues that place financial and administrative burdens on a provider. Given the limited number of eligible patients the Applicant would be treating as a TennCare provider, the Applicant fears it would spend a disproportionate amount of time negotiating contracts and handling associated administrative tasks. If a TennCare MCO sends the Applicant a qualified TennCare patient approved to receive methadone MAT, the Applicant will provide treatment services to the patient free of charge as a charity care patient. Should TennCare provide funding in the future, the Applicant would consider becoming a TennCare provider for these vital services.

Describe the relationship of this project to the applicant facility's long-range development plans, if any, and how it relates to related previously approved projects of the applicant.

Response: The Applicant's long-term plan is to evolve, maintain and practice a highly effective model of integrated treatment for those suffering physically, mentally, emotionally, and spiritually from drug abuse and dependency. This project will enable the Applicant to provide treatment to patients in the proposed service area. The owners of the Applicant are highly experienced in addiction treatment - with approximately 100 years of experience in this area between them. Their experience includes starting four OTP facilities from the ground up.

B. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map for the Tennessee portion of the service area using the map on the following page, clearly marked to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the border states, if applicable. **Attachment – Section – Need-3.** 

**Response:** The Applicant anticipates serving the residents of Cocke, Sevier, Jefferson, Hamblen, Greene, Hawkins and Grainger counties. Please see service area map included as <u>Attachment Section</u>, <u>Need-3</u>.

Please complete the following tables, if applicable:

Service Area Counties	Historical Utilization-County Residents	% of total procedures
County #1	N/A	
County #2		
Etc.		
Total		100%

Service Area Counties	Projected Utilization-County Residents	% of total procedures
Cocke	32	9%
Sevier	88	25%
Jefferson	49	14%
Hamblen	52	15%
Greene	59	17%
Hawkins	49	14%
Grainger	20	6%
Total	349	100%

Note: Projections have been based on year 2 of the project, so that the ramp up period has occurred.

## Hawkins Code Jefferson J Hocke Knox Campbell Monroe Loudon Scott Pok Meigs McMim Morgan Fentress Bradley Cumberland Sequatchie White Van Warren Buren Marion De Kalb F Franklin Macon Bedford Coffee Trousdale Wilson Surner Lincoln Davidson Montgonery Wilkamson Maury Dickson AWTENCE Lewis Humphreys Houston Stemart Wayne Perry Hardin Henry Henderson Carroll McNairy Chester Weakley Madison Harceman Gibson Faverte Shellby

- D. 1) a) Describe the demographics of the population to be served by the proposal.
  - b) Using current and projected population data from the Department of Health, the most recent enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, complete the following table and include data for each county in your proposed service area.

Projected Population Data: <a href="http://www.tn.gov/health/article/statistics-population">http://www.tn.gov/health/article/statistics-population</a>

TennCare Enrollment Data: http://www.tn.gov/tenncare/topic/enrollment-data

Census Bureau Fact Finder: <a href="http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml">http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml</a>

**Response:** Please see table below. Although the applicant will serve adults 18 and older, the target adult population listed below is for those adults 20 and over because that is the age grouping for the department of health population statistics.

	Department of Health/Health Statistics						Bureau c	of the Censu	s	TennCare			
Demographic Variable/Geo graphic Area	Total Population- Current Year	Total Population- Projected Year	Total Population-% Change	*Target Population- Current Year 2018	*Target Population- Project Year 2020	*Target Population- % Change	Target Population Projected Year as % of Total	Median Age	Median Household Income	Person Below Poverty Level	Person Below Poverty Level as % of Total	TennCare Enrollees	TennCare Enrollees as % of Total
Cocke County	35,214	35,310	0.27	27,317	27,770	1.66	78,65	44.5	31,081	9,081	26.1	11,217	31.85
Grainger County	23,093	23,443	1.52	17,840	18,353	2.88	78.29	44.2	37,552	4,578	20.2	5,957	25.80
Greene County	68,612	69,598	1.44	53,547	54,620	2.00	78.48	44.0	36,711	12,373	18.6	15,513	22.61
Hamblen County	63,786	65,264	2.32	47,637	48,827	2.50	74.81	40.5	39,270	13,112	21.2	16,300	25.55
Hawkins County	56,555	56,606	0,09	43,816	44,529	1.63	78.66	43.8	37,883	10,706	19.2	13,225	23.38
Jefferson County	53,534	55,178	3.07	41,234	42,724	3.61	77.43	42.7	43,673	7,724	15.2	12,187	22,76
Sevier County	96,672	102,302	5.82	74,533	79,255	6.30	77.47	42.4	42,586	14,285	15.3	20,719	21.43
Service Area Total	397,466	407,701	2.58	305,924	316,078	3.32	77.53	N/A	N/A	N/A	N/A	95,118	23.93
State of TN Total	6,651,120	6,883,347	3.49	4,986,324	5,024,757	0.77	73.00	38.5	46,574	1,100,169	17.2	1,415,846	21.29

Source: Google Maps 2018.

2) Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans

<sup>\*</sup> Target Population is population that project will primarily serve. For example, nursing home, home health agency, hospice agency projects typically primarily serve the Age 65+ population; projects for child and adolescent psychiatric services will serve the Population Ages 0-19. Projected Year is defined in select service-specific criteria and standards. If Projected Year is not defined, default should be four years from current year, e.g., if Current Year is 2016, then default Projected Year is 2020.

of the facility will take into consideration the special needs of the service area population.

Response: Please note that the median age for persons in each of the counties in the service area is higher than that for the state. The service area has a significant number of low-income persons, with five of the seven counties having a higher percentage of persons below the poverty level than the state of Tennessee, and a higher percentage of those on TennCare in each county as compared to the state of Tennessee. Methadone is generally a more cost effective treatment than buprenorphine, which should be a major consideration for the service area given the number of low-income persons in the service area. Methadone is also a safe treatment for pregnant women.

The abuse of prescription drugs, specifically opioids, is an epidemic in Tennessee, with disastrous and severe consequences to Tennesseans of every age including: overdose deaths, emergency department visits, hospital costs, newborns with Neonatal Abstinence Syndrome, children in state custody, and people incarcerated for drug-related crimes.

Given these facts, the Applicant will be better able to treat patients with varying ranges of opioid dependence and will be able to do so in greater numbers than a physician who is limited to prescribing buprenorphine and has volume limitations on his/her ability to take on patients.

E. Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: Admissions or discharges, patient days, average length of stay, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc. This doesn't apply to projects that are solely relocating a service.

Response: Not applicable.

F. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three years and the projected annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology <u>must include</u> detailed calculations or documentation from referral sources, and identification of all assumptions.

**Response**: Since this is a new facility, there is no historical utilization. The applicant anticipates that annual utilization will be 235 and 349 patients for the first two years following completion of the project. The Applicant has based its projections on estimates of the number of adults using pain relievers for non-medical purposes and the number of adults who are heroin users in the service area.

## SECTION B: ECONOMIC FEASIBILITY

- A. Provide the cost of the project by completing the Project Costs The on the following page. Justify the cost of the project.
  - 1) All projects should have a project cost of at least \$15,000 (the minimum CON Filing Fee). (See Application Instructions for Filing Fee)

Response: Please see Project Costs Chart.

2) The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.

Response: The Applicant executed a Commercial Lease to Purchase, a copy of which is included with this application at <a href="Attachment Section A-6A">Attachment Section A-6A</a>. However, It is anticipated that a holding company having some common ownership with the Applicant will purchase the building. It has currently not been decided which of the current owners of the Applicant will form an entity to purchase the building. The Applicant will then renovate the building. The Applicant plans on leasing the building from this holding company at a rate of approximately \$2,300 per month. The Project Costs Chart includes the total cost of the building and the renovations. The projected data chart includes the lease amount for the building, and depreciation on the building.

3) The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.

Response: Not applicable.

4) Complete the Square Footage Chart on page 8 and provide the documentation. Please note the Total Construction Cost reported on line 5 of the Project Cost Chart should equal the Total Construction Cost reported on the Square Footage Chart.

Response: Not applicable.

- 5) For projects that include new construction, modification, and/or renovation documentation must be provided from a licensed architect or construction professional that support the estimated construction costs. Provide a letter that includes the following:
  - a. A general description of the project;
  - a. An estimate of the cost to construct the project;
  - b. A description of the status of the site's suitability for the proposed project; and
  - c. Attesting the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the AIA Guidelines for Design and Construction of Hospital and Health Care Facilities in current use by the licensing authority.

**Response**: Please see letter from architect included as <u>Attachment Section B, Economic Feasibility A-5</u>.

## PROJECT COST CHART

Α.	Con	struction and equipment acquired by purchas	e:		
	1.	Architectural and Engineering Fees		\$4,000	
	2.	Legal, Administrative (Excluding CON Filing Consultant Fees	у Fee),	\$50,000	
	3.	Acquisition of Site		\$190,000	
	4.	Preparation of Site		N/A	
	5.	Total Construction Costs		\$220,000	
	6.	Contingency Fund	·	\$50,000	
	7.	Fixed Equipment (Not included in Construction Co	ntract)	N/A	
	8.	Moveable Equipment (List all equipment over \$50 separate attachments) Furniture, security system, comp		\$25,000	
	9.	Other (Specify)		N/A	
В.,	Acq	uisition by gift, donation, or lease:	·		
	1.	Facility (inclusive of building and land)	·	N/A	
	2.	Building only	·	N/A	
	3.	Land only		N/A	
	4.	Equipment (Specify)		N/A	
	5.	Other (Specify)		N/A	
<b>C</b> .	Fina	ancing Costs and Fees:			
	1.	Interim Financing	-	N/A	
	2.	Underwriting Costs		N/A	
	3.	Reserve for One Year's Debt Service		N/A	
	4.	Other (Specify)			
$D_{*}$		mated Project Cost			
	(A+	B+C)		\$539,000	
Ε,	С	ON Filing Fee		\$15,000	
F.	Total Estimated Project Cost				
	1)	D+E) -	TOTAL	\$554,000	

B. Identify the funding sources for this project.

Check the applicable item(s) below and briefly summarize how the project will be financed. (Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)

- 1) Commercial loan Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
- 2) Tax-exempt bonds Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
- \_\_\_\_\_ 3) General obligation bonds Copy of resolution from issuing authority or minutes from the appropriate meeting;
- 4) Grants Notification of intent form for grant application or notice of grant award;
- 5) Cash Reserves Appropriate documentation from Chief Financial Officer of the organization providing the funding for the project and audited financial statements of the organization; and/or
- $\underline{X}$  6) Other Identify and document funding from all other sources.

**Response**: The applicant anticipates that each of the owners who are providing capital for the project will provide their proportionate share of the funding: Richard Sherman - 39%; Steven Loyd - 39%; Yoni Mizrahi - 11%; and Pam Whitmire - 11%. Please see attached letters for each of them verifying that they have the necessary funds included as <u>Attachment C, Economic Feasibility B-6.</u>

C. Complete Historical Data Charts on the following two pages—<u>Do not modify the Charts</u> provided or submit Chart substitutions!

Historical Data Chart represents revenue and expense information for the last *three (3)* years for which complete data is available. Provide a Chart for the total facility and Chart just for the services being presented in the proposed project, if applicable. **Only complete one chart if it suffices.** 

Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should include any management fees paid by agreement to third party entities not having common ownership with the applicant.

## HISTORICAL DATA CHART

□ Total Facility□ Project Only

Give information for the last *three* (3) years for which complete data are available for the facility or agency. The fiscal year begins in (Month). **Response**: Not applicable.

			Year	Year	Year
А, В.	500	zation Data (Specify unit of measure, e.g., 1,000 patient days, visits) enue from Services to Patients	8		2
	1.	Inpatient Services	\$	\$	\$
	2.	Outpatient Services	Ψ	<b>.</b>	
	3.	Emergency Services			-,
	4.	Other Operating Revenue (Specify)	/-	= ======	* =
		Gross Operating Revenue	\$	_: <b>\$</b>	\$
C.	Ded	uctions from Gross Operating Revenue  Contractual Adjustments			
	2.	Provision for Charity Care	\$	\$	\$
	3.	Provisions for Bad Debt	13		
		Total Deductions	\$	\$	\$
NET	OPE	RATING REVENUE	\$	\$	\$
D.	Ope	rating Expenses	<u> </u>		-,:
	1.	Salaries and Wages			
		a. Direct Patient Care	( <del>-</del>	-61	
		b. Non-Patient Care	K		
	2.	Physician's Salaries and Wages	0		- S
	3.	Supplies	9		
	4.	Rent a. Paid to Affiliates	O-	-	-0
		b. Paid to Non-Affiliates		- /-	- · · · · · · · · · · · · · · · · · · ·
	5.	Management Fees: a. Paid to Affiliates	n <u>s</u>	<b>=</b> : ₹	
		b. Paid to Non-Affiliates	2=		4V 3
	6.	Other Operating Expenses			
		Total Operating Expenses	\$	\$	\$
E.	Earı	nings Before Interest, Taxes and Depreciation	\$	\$	\$
F.	Non	-Operating Expenses			
	1.	Taxes	\$	\$\$	\$\$
	2.	Depreciation		_	
	3.	Interest			
	4.	Other Non-Operating Expenses	:1		
		Total Non-Operating Expenses	\$	\$	\$
NET	NET INCOME (LOSS)			\$	\$

Chart Continues Onto Next Page

NET INCOME (LOSS)			\$ \$		<b>\$</b>	
G.	Othe	r Deductions				
	1.	Annual Principal Debt Repayment	\$	\$	\$	
	2.	Annual Capital Expenditure	<u> </u>			
		Total Other Deductions	\$	\$	\$	
		NET BALANCE	\$	\$	\$	
		DEPRECIATION	\$	\$	\$	
		FREE CASH FLOW (Net Balance + Depreciation)	\$	\$	\$	

□ Total Facility
□ Project Only

## HISTORICAL DATA CHART-OTHER EXPENSES

<u>OTI</u>	HER EXPENSES CATEGORIES	Year	Year	Year
1.	Professional Services Contract	\$	<b>\$</b>	\$
2.	Contract Labor	· · · · · · · · · · · · · · · · · · ·		
3.	Imaging Interpretation Fees			·
4.		¥		
5.			·	
6.				
7.				
	Total Other Expenses	<b>\$</b>	\$	\$

### D. Complete Projected Data Charts on the following two pages – <u>Do not modify the Charts</u> <u>provided or submit Chart substitutions!</u>

The Projected Data Chart requests information for the two years following the completion of the proposed services that apply to the project. Please complete two Projected Data Charts. One Projected Data Chart should reflect revenue and expense projections for the *Proposal Only* (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility). The second Chart should reflect information for the total facility. **Only complete one chart if it suffices.** 

Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should include any management fees paid by agreement to third party entities not having common ownership with the applicant.

### PROJECTED DATA CHART

□ Total Facility

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in April (Month).

Year 1

Project Only

Year 2

			Year 1	Year 2
A <sub>r</sub>	Util	ization Data (Specify unit of measure, e.g., 1,000 patient days, 500 visits)	235	349
В.	Rev	venue from Services to Patients	·	s <del></del>
	1.	Inpatient Services	\$	\$
	2.	Outpatient Services	\$592,344.00	\$1,461,526.55
	3.	Emergency Services		
	4.	Other Operating Revenue (Specify)	<del></del>	-
		Gross Operating Revenue	\$592,344.00	\$1,461,526.55
C.	Dec	ductions from Gross Operating Revenue		
-0	1.	Contractual Adjustments	\$	\$
	2.	Provision for Charity Care	\$17,770.32	\$43,845.80
	3.	Provisions for Bad Debt	\$118.47	\$292.31
	٥.	Total Deductions	\$17,888.79	44,138.11
NET C	PER	ATING REVENUE	\$574,455.21	\$1,417,388.44
D.		perating Expenses	<b>V</b>	<del>+ 1,111,22211</del>
	1.	Salaries and Wages		
		a. Direct Patient Care	\$303,828.00	\$442,196.00
		b. Non-Patient Care	-	4
	2.	Physician's Salaries and Wages	\$46,000.00	\$48,000.00
	3.	Supplies	\$48,775.68	\$51,352.68
	4.	Rent a. Paid to Affiliates	\$27,600.00	\$27,600.00
	5.	<ul><li>b. Paid to Non-Affiliates</li><li>Management Fees:</li><li>a. Paid to Affiliates</li></ul>	<del></del>	
		b. Paid to Non-Affiliates		n
	6.	Other Operating Expenses	\$146,899	\$162,669
		Total Operating Expenses	\$573,102.68	\$731,817.68
E. F.		rnings Before Interest, Taxes and Depreciation	\$1,352.53	\$685,570.76
	1.	Taxes	\$27,746.00	\$39,215.00
	2.	Depreciation	\$15,750.00	\$29,880.00
	3.	Interest		
	4.	Other Non-Operating Expenses		
		Total Non-Operating Expenses	\$53,496.00	\$69,095.00
NET II	NCO	ME (LOSS)	(\$52,143.47)	\$616,475.76

Chart Continues Onto Next Page

NET INCOME (LOSS) G. Other Deductions	(\$52,143.47)	\$616,475.76
Estimated Annual Principal Debt Repayment	\$	\$
2. Annual Capital Expenditure		
Total Other	er Deductions \$ 0.00	\$ 0.00
N	ET BALANCE(\$52,143.47)	\$616,475.76
DI	<b>EPRECIATION</b> \$ 15,750.00	\$ 29,880.00
FREE CASH FLOW (Net Balance +	Depreciation)(\$36,393.47)	\$646,355.76

□ Total Facility
□ Project Only

### PROJECTED DATA CHART-OTHER EXPENSES

<u>OTH</u>	ER EXPENSES CATEGORIES	Year 1	Year 2
1.	Insurance	\$58,124.00	\$91,944.00
2.	Licenses/CARF/Dues/Subscription Fees	\$9,200.00	\$500.00
3.	Training	\$4,800.00	\$4,950.00
4.	Computers/Software	\$15,000.00	\$7,200.00
5.	Lab Fees	\$39,800.00	\$40,000.00
6.	Repairs/Utilities	\$8,775.00	\$7,875.00
7.	<u>Janitorial</u>	\$3,000.00	\$3,000.00
8.	Security	\$1,700.00	\$1,200.00
9.	Advertising	\$6,500.00	\$6,000.00
	Total Other Expenses	\$ 146,899	\$ 162,669

E. 1) Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project. Please complete the following table.

	Previous Year	Current Year	Year One	Year Two	% Change (Current Year to Year 2)
Gross Charge (Gross Operating Revenue/Utilization Data)			\$15/day;	\$15/day;	
	N/A	N/A	\$95/week	\$95/week	0
<b>Deduction from Revenue</b> (Total Deductions/Utilization Data)	N/A	N/A	N/A	N/A	N/A
Average Net Charge (Net Operating Revenue/Utilization			\$15/day;	\$15/day;	
Data)	N/A	N/A	\$95/week	\$95/week	0

2) Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

**Response**: The applicant anticipates a daily fee of \$15.00 per day and a weekly fee of \$95.00 per week. The fees will include all medication, individual and group counseling and a monthly urine drug screening.

3) Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Response: These fees compare favorably to fees of the closest facilities which are located in Tennessee, North Carolina and South Carolina. For those facilities the fees for methadone range from \$10-\$16/day. Weekly fees are offered at a rate of \$178 for the first week, and afterwards at \$118 per week, with no daily rates for DRD Knoxville, with the rates at Overmountain Recovery in Johnson City being \$155 for the first week, and afterwards at \$100.80 per week or \$16 per day for a daily rate. See Attachment B, Economic Feasibility E-3.

F. 1) Discuss how projected utilization rates will be sufficient to support the financial performance. Indicate when the project's financial breakeven is expected and demonstrate the availability of sufficient cash flow until financial viability is achieved. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For all projects, provide financial information for the corporation, partnership, or principal parties that will be a source of funding for the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility. NOTE: Publicly held entities only need to reference their SEC filings.

Response: The Applicant estimates 235 patients in year one and 349 patients in year two. The Applicant anticipates a minimal negative free cash flow of (36,393.47) in Year 1 and a positive free cash flow in Year 2 of \$646,355.76. As indicated in the funding letters, those owners of the Applicant who will provide financial support have the means to fund both the costs of the project and sufficient cash flow until financial viability is achieved.

2) Net Operating Margin Ratio – Demonstrates how much revenue is left over after all the variable or operating costs have been paid. The formula for this ratio is: (Earnings before interest, Taxes, and Depreciation/Net Operating Revenue).

Utilizing information from the Historical and Projected Data Charts please report the net operating margin ratio trends in the following table:

Year	2nd Year previous to Current Year	1st Year previous to Current Year	Current Year	Projected Year 1	Projected Year 2
Net Operating Margin Ratio	N/A	N/A	N/A	2%	48%

3) Capitalization Ratio (Long-term debt to capitalization) – Measures the proportion of debt financing in a business's permanent (Long-term) financing mix. This ratio best measures a business's true capital structure because it is not affected by short-term financing decisions. The formula for this ratio is: (Long-term debt/(Long-term debt/Total Equity (Net assets)) x 100).

For the entity (applicant and/or parent company) that is funding the proposed project please provide the capitalization ratio using the most recent year available from the funding entity's audited balance sheet, if applicable. The Capitalization Ratios are not expected from outside the company lenders that provide funding.

**Response:** Not applicable. The applicant is a new entity and as such has no existing capitalization ratio.

G. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid and medically indigent patients will be served by the project. Additionally, report the estimated gross operating revenue dollar amount and percentage of projected gross operating revenue anticipated by payor classification for the first year of the project by completing the table below.

Response: The proposed project will not seek certification from Medicare or TennCare. Medicare patients rarely seek OTP services. While TennCare has a methadone benefit for enrollees younger than 21, this facility will not serve patients younger than 18. Consequently, the only eligible TennCare patients would be patients 18-20 years of age and very few patients in this age range seek treatment based on the experience of the Applicant's owners. Moreover, the process to become a TennCare provider and contract with MCOs involves a number of operational issues that place financial and administrative burdens on a provider. Given the limited number of eligible patients the Applicant would be treating as a TennCare provider, the Applicant would spend a disproportionate amount of time negotiating contracts and handling associated administrative tasks. If a TennCare MCO sends the Applicant a qualified TennCare patient approved to receive methadone

MAT, the Applicant will provide treatment services to the patient free of charge as a charity care patient. Should TennCare provide funding in the future, the Applicant would consider becoming a TennCare provider for these vital services. Please see the chart below for payor mix by payor source. Any revenues that might be attributable to TennCare patients are included in charity care.

Applicant's Projected Payor Mix, Year 1

Payor Source	Projected Gross Operating Revenue	As a % of total
Medicare/Medicare Managed Care	N/A	N/A
TennCare/Medicaid	N/A	N/A
Commercial/Other Managed Care	N/A	N/A
Self-Pay	\$574,574.00	97.0%
Charity Care	\$17,770.00	3%
Other (Specify)	N/A	N/A
Total	\$592,344.00	100.0%

H. Provide the projected staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTEs) positions for these positions. Additionally, please identify projected salary amounts by position classifications and compare the clinical staff salaries to prevailing wage patterns in the proposed service area as published by the Department of Labor & Workforce Development and/or other documented sources.

**Response**: Please see the chart below. As it shows, the applicant estimates FTEs of just under 8 for the first year of operation, during which time there will be a significant ramp up period.

	Position Classification	Existing FTEs (enter year)	Projected FTEs Year 1	Average Wage (Contractual Rate)	Area Wide/Statewide Average Wage
A.	Direct Patient Care Positions				
	Director	N/A	1.0	\$60,000/Yr	
	Director of Nursing (RN)	N/A	1.0	\$55,0000/Yr	
	Registered Nurse	N/A	0.5	\$24/Hr	
	Licensed Practical Nurse	N/A	0.75	\$18/Hr	
	Administrator	N/A	1.50	\$11/Hr	
	Group Counselor	N/A	0.2	\$16/Hr	
	Clinical Supervisor	N/A	1.0	\$45,700/Yr	
	Counselor	N/A	1.25	\$16/Hr	
	Total Direct Patient Care Positions	N/A	7.20	N/A	N/A

B.	Non-Patient Care Positions				
	Position 1				
	Position 2				
	Position "etc."				
	Total Non-Patient Care Positions				
	Total Employees (A+B)				
C.	Contractual Staff				
	Medical Director	N/A	0.5	\$90/Hr	
	Total Staff (A+B+C)		7.7	N/A	N/A

- I. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:
  - 1) Discuss the availability of less costly, more effective and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, justify why not, including reasons as to why they were rejected.

Response: There are no viable choices for the Applicant other than to proceed with trying to implement this project. There are buprenorphine providers in the service area so this treatment alternative is available. As previously cited, the FDA has approved three drugs for the treatment of opioid dependence: methadone, buprenorphine, and naltrexone. All three of these treatments have been demonstrated to be safe and effective in combination with counseling and psychosocial support. Everyone who seeks treatment for an OUD should be offered access to all three options as this allows providers to work with patients to select the treatment best suited for an individual's needs.<sup>24</sup> With no available MAT providers in the service area, and portions of the service area identified as underserved for this

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<sup>&</sup>lt;sup>24</sup> https://www.fda.gov/Drugs/DrugSafety/InformationbyDrugClass/ucm600092.htm

service, the Applicant felt it had no choice but to step in to help fill the void in available service options.

the FDA There are no MAT providers in the service area. Portions of the service area have been identified as underserved.

2) Document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements.

**Response**: Not applicable. This proposal does not include new construction but is utilizing an existing building that will be renovated.

### SECTION B: CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

A. List all existing health care providers (i.e., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, that may directly or indirectly apply to the project, such as, transfer agreements, contractual agreements for health services.

Response: The Applicant intends to have working relationships with all hospitals with emergency rooms in the service area, including Tennova Healthcare - Newport Medical Center in Cocke County, Laughlin Memorial Hospital and Takoma Regional Hospital in Greene County, Wellmont Hawkins County Memorial Hospital in Hawkins County, LeConte Medical Center in Sevier County, Lakeway Regional Hospital and Morristown-Hamblen Healthcare System in Hamblen County, and Tennova Healthcare - Jefferson Memorial Hospital in Jefferson County. In the unlikely event of an emergency, the applicant will dial 911 for an ambulance, which will transport the patient to the nearest emergency room, or an emergency room of their choice.

B. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact to consumers and existing providers in the service area. Discuss any instances of competition and/or duplication arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

**Response:** Since there are no existing facilities providing MAT in the service area, there is no competition or duplication of services on the health care system.

Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

### 1) Positive Effects

Response: The proposed service area does not currently have an OTP providing MAT, so the Applicant's proposed facility will address this gap in service. There are buprenorphine providers in the service area, but they do not offer the range of services that the Applicant does, such as counseling and treatment with a medication other than buprenorphine. While some patients may benefit from methadone and buprenorphine treatment equally, the two therapies differ in important ways in treating opioid addiction. Methadone is more appropriate for patients who are dependent on higher opioid doses than those who do well on buprenorphine, which is a partial agonist and does not activate the applicable receptors in the brain to the same extent as methadone. While buprenorphine can plateau and reach a point where a higher dose will not result in further suppression of withdrawal symptoms because, as a partial agonist, it will reach a plateau and will not activate any unactivated receptors. Increased doses of methadone will result in the activation of additional receptors so that withdrawal symptoms will be further suppressed.

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<sup>&</sup>lt;sup>25</sup> http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3271614/ 4834-6134-3079.26

Methadone is also a safe treatment for pregnant women. Given these facts, the Applicant will be better able to treat patients with varying ranges of opioid dependence and will be able to do so in greater numbers than a physician who is limited to prescribing buprenorphine and therefore has volume limitations on his/her ability to take on patients.

There are three drugs approved by the FDA for the treatment of opioid dependence: methadone, buprenorphine, and naltrexone. All three of these treatments have been demonstrated to be safe and effective in combination with counseling and psychosocial support. Everyone who seeks treatment for an OUD should be offered access to all three options as this allows providers to work with patients to select the treatment best suited for an individual's needs.<sup>26</sup>

The applicant proposes to offer MAT services. The scope of services offered by the Applicant are such that they would not necessarily impact physicians treating patients with buprenorphine, since their patient pool likely consists of those who do not need the amount of support and monitoring that will be received by those in the Applicant's proposed program. If a patient is progressing well with the buprenorphine when weaning themselves off of a short-term addiction to pain medication prescribed for an injury, he or she is not likely to seek out the services of the Applicant and will remain with their physician, as the limited services provided by physicians will be better suited to such circumstances.

To the extent the Applicant would compete with buprenorphine providers, the benefits to the population in having alternative methods to combat addiction outweigh the costs. Outside the proposed service area, the most affected providers would likely be the methadone treatment centers located in Knoxville and Johnson City, Tennessee, Weaverville, North Carolina and Asheville, North Carolina. The Knoxville facilities are 30-55 miles away; the Johnson City facility is 30-94 miles away; the Ashville facilities are 60-120 miles away and the Weaverville facility is 48-101 miles away. While some individuals will seek services closer to home, not all patients will transfer to a new clinic for the same services. The Applicant's project should not be anticipated to materially impact the continued viability of other clinics, given the growing need for the services in Tennessee, and the existing lack of treatment options, as noted elsewhere in this application. Additionally, portions of the Applicant's service area have been identified as underserved.

### 2) Negative Effects

Response: There are no negative effects if this project is approved because there are no MAT facilities in the service area. While physicians offer buprenorphine treatment in the service area, research indicates that methadone treatment has advantages over buprenorphine for patients with a high level of physical dependency. The determination of which treatment is offered should be made on a case-by-case basis. There is no data available to estimate the proportion of patients better served by methadone over buprenorphine. Therefore a role exists for both treatment options in the continuum of care for opioid addiction. Since MAT is currently not available, approving this project it does not harm the existing buprenorphine providers - there is a place for both options.

C. 1) Discuss the availability of and accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of

<sup>&</sup>lt;sup>26</sup> https://www.fda.gov/Drugs/DrugSafety/InformationbyDrugClass/ucm600092.htm

Tennessee licensing requirements and/or requirements of accrediting agencies, such as the Joint Commission and Commission on Accreditation of Rehabilitation Facilities.

**Response**: The Applicant anticipates no difficulty in attracting and retaining appropriate high quality staff. It will provide necessary training to ensure all staff are trained.

2) Verify that the applicant has reviewed and understands all licensing and/or certification as required by the State of Tennessee and/or accrediting agencies such as the Joint Commission for medical/clinical staff. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

**Response**: The applicant has reviewed and understands all licensing and/or certification as required by the State of Tennessee and plans to be CARF accredited.

3) Discuss the applicant's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).

Response: Not applicable. The applicant does not participate in the training of students.

D. Identify the type of licensure and certification requirements applicable and verify the applicant has reviewed and understands them. Discuss any additional requirements, if applicable. Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

#### Licensure:

**Response**: The facility will be licensed as a non-residential methadone facility.

Certification Type (e.g. Medicare SNF, Medicare LTAC, etc.):

Response: Not applicable.

Accreditation (i.e., Joint Commission, CARF, etc.):

**Response**: The Applicant will be CARF accredited.

1) If an existing institution, describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility and accreditation designation.

Response: Not applicable.

2) For existing providers, please provide a copy of the most recent statement of deficiencies/plan of correction and document that all deficiencies/findings have been corrected by providing a letter from the appropriate agency.

Response: Not applicable.

3) Document and explain inspections within the last three survey cycles which have resulted in any of the following state, federal, or accrediting body actions: suspension of admissions, civil monetary penalties, notice of 23-day or 90-day termination proceedings from Medicare/Medicaid/TennCare, revocation/denial of accreditation, or other similar actions.

Response: Not applicable.

a) Discuss what measures the applicant has or will put in place to avoid similar findings in the future.

Response: Not applicable.

- E. Respond to all of the following and for such occurrences, identify, explain and provide documentation:
  - 1) Has any of the following:
    - a) Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);
    - b) Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or
    - c) Any physician or other provider of health care, or administrator employed by any entity in which any person(s) or entity with more than 5% ownership in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%.

Response: No

- 2) Been subjected to any of the following:
  - a) Final Order or Judgment in a state licensure action;

Response: No

b) Criminal fines in cases involving a Federal or State health care offense;

Response: No

c) Civil monetary penalties in cases involving a Federal or State health care offense;

Response: No

d) Administrative monetary penalties in cases involving a Federal or State health care offense:

Response: No

e) Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services: and/or

Response: No

f) Suspension or termination of participation in Medicare or Medicaid/TennCare programs.

Response: No

g) Is presently subject of/to an investigation, regulatory action, or party in any civil or criminal action of which you are aware.

Response: No

h) Is presently subject to a corporate integrity agreement.

Response: No

- F. Outstanding Projects:
  - 1) Complete the following chart by entering information for each applicable outstanding CON by applicant or share common ownership; and

		Date	*Annual Pro	gress Report(s)	Expiration
CON Number	Project Name	Approved	Due Date	Date Filed	<u>Date</u>

<sup>\*</sup>Annual Progress Reports – HSDA Rules require that an Annual Progress Report (APR) be submitted each year. The APR is due annually until the Final Project Report (FPR) is submitted (FPR is due within 90 ninety days of the completion and/or implementation of the project). Brief progress status updates are requested as needed. The project remains outstanding until the FPR is received.

Response: Not applicable.

2) Provide a brief description of the current progress, and status of each applicable outstanding CON.

Response: Not applicable.

- G. Equipment Registry For the applicant and all entities in common ownership with the applicant.
  - 1) Do you own, lease, operate, and/or contract with a mobile vendor for a Computed Tomography scanner (CT), Linear Accelerator, Magnetic Resonance Imaging (MRI), and/or Positron Emission Tomographer (PET)?

Response: Not applicable.

2) If yes, have you submitted their registration to HSDA? If you have, what was the date of submission?

Response: Not applicable.

3) If yes, have you submitted your utilization to Health Services and Development Agency? If you have, what was the date of submission?

Response: Not applicable.

### SECTION B: QUALITY MEASURES

Please verify that the applicant will report annually using forms prescribed by the Agency concerning continued need and appropriate quality measures as determined by the Agency pertaining to the certificate of need, if approved.

**Response:** The Applicant will report quality measures and need information to the Agency if the CON is approved.

### SECTION C: STATE HEALTH PLAN QUESTIONS

T.C.A. §68-11-1625 requires the Tennessee Department of Health's Division of Health Planning to develop and annually update the State Health Plan (found at <a href="http://www.tn.gov/health/topic/health-planning">http://www.tn.gov/health/topic/health-planning</a>). The State Health Plan guides the State in the development of health care programs and policies and in the allocation of health care resources in the State, including the Certificate of Need program. The <a href="https://www.tn.gov/health/topic/health-planning">5 Principles for Achieving Better Health</a> are from the State Health Plan's framework and inform the Certificate of Need program and its standards and criteria.

Discuss how the proposed project will relate to the <u>5 Principles for Achieving Better Health</u> found in the State Health Plan.

A. The purpose of the State Health Plan is to improve the health of the people of Tennessee.

**Response**: The project will support this principle by ensuring all patients receive high quality treatment and have the help that they need to leave behind the addiction that comes with abuse of opiates as well as any associated health issues.

B. People in Tennessee should have access to health care and the conditions to achieve optimal health.

**Response**: By eliminating the barrier that distance would present to certain potential patients, the project will give current and future patients better access to addiction treatment and a better chance at becoming opioid free.

C. Health resources in Tennessee, including health care, should be developed to address the health of people in Tennessee while encouraging economic efficiencies.

Response: Treatment at the Applicant's proposed OTP is cost effective due to concise staffing and management oversight of resource utilization. Additionally, through the years of experience of the Applicant's owners, the Applicant will be able to put such expertise to work and take advantage of processes and efficiencies discovered over the years, both of which will enable the Applicant to spend less money and more effectively treat patients than a less experienced Applicant.

D. People in Tennessee should have confidence that the quality of health care is continually monitored and standards are adhered to by providers.

Response: As a provider of opioid addiction treatment services, the Applicant will be regulated by the State and the federal government. Further, as veterans of the OTP landscape in South Carolina and North Carolina, the Applicant's management is well-versed in satisfying these requirements and ensuring that its facilities meet regulatory and licensure expectations and standards. Tennesseans can be confident that services offered at the Applicant's OTP have the backing of this experience and regulatory oversight.

E<sub>0</sub> The state should support the development, recruitment, and retention of a sufficient and quality health workforce.

**Response**: The Applicant utilizes licensed and unlicensed personnel to provide cohesive care to patients. Additionally, the Applicant, by adding an OTP to the area, will ensure that these services are available to the community.

#### PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent.

Response: Please see attached proof of publication in the Newport Daily Talk on July 10, 2018.

### NOTIFICATION REQUIREMENTS

(Applies only to Nonresidential Substitution-Based Treatment Centers for Opiate Addiction)

Note that T.C.A. §68-11-1607(c)(9)(A) states that "...Within ten (10) days of the filing of an application for a nonresidential substitution-based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the state representative and senator representing the house district and senate district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of a municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution-based treatment center for opiate addiction has been filed with the agency by the applicant."

Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.

Please provide documentation of these notifications.

**Response:** The Applicant plans to provide these required notices within the time period required and will provide evidence of same to the HSDA upon such notification.

#### **DEVELOPMENT SCHEDULE**

T.C.A. §68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

- 1. Complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
- 2. If the response to the preceding question indicates that the applicant does not anticipate completing the project within the period of validity as defined in the

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preceding paragraph, please state below any request for an extended schedule and document the "good cause" for such an extension.

### PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HSDA action on the date listed in Item 1. below, indicate the number of days from the HSDA decision date to each phase of the completion forecast.

<u>Phase</u>	<u>Days</u> <u>Required</u>	Anticipated Date [Month/Year]
Initial HSDA decision date		10/2018
Architectural and engineering contract signed	7	11/2018
Construction documents approved by the Tennessee     Department of Health	21	11/2018
4. Construction contract signed	21	11/2018
5. Building permit secured	30	11/2018
6. Site preparation completed	30	11/2018
7. Building construction commenced	30	11/2018
8. Construction 40% complete	60	12/2018
9. Construction 80% complete	88	1/2019
10. Construction 100% complete (approved for occupancy	102	2/2019
11. *Issuance of License	130	3/2019
12. *Issuance of Service	130	3/2019
13. Final Architectural Certification of Payment	160	4/2019
14. Final Project Report Form submitted (Form HR0055)	160	4/2019

<sup>\*</sup>For projects that <u>DO NOT</u> involve construction or renovation, complete Items 11 & 12 only.

NOTE: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date

### Attachment A, Executive Summary, Need-B-1

### Potential Areas for Addressing Service Gaps for Opioid Treatment

## for Addressing Service Gaps for Opioid Treatment **Tennessee 2016 Potential Areas**

Data Sources:

Drug Use: NSDUH (2012)

Facilities: SAMHSA (2016)

Population: ACS 5-year average (2010-2014)

# **Optimal Areas**











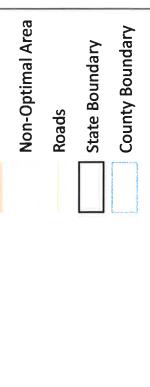












### Attachment A-4A Organizational Documents

### NEW HOPE TREATMENT CENTER OF TENNESSEE, LLC MEMBERS

OWNER	% OWNERSHIP
Joy Bailley	5
Pam Whitmire	10
Dr. Richard Sherman	35
Stephen Lloyd	35
Yoni Mizrahi	10
Amy Shroyer	5
TOTAL	100%



### Division of Business Services **Department of State**

State of Tennessee 312 Rosa L. Parks AVE, 6th FL Nashville, TN 37243-1102

New Hope Treatment Center of Tennessee, LLC STE A3 1200 WOODRUFF RD GREENVILLE, SC 29607-5732

July 12, 2018

### Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

SOS Control #:

000973882

Formation Locale: SOUTH CAROLINA

Filing Type:

Limited Liability Company - Foreign

Date Formed:

09/14/2015

Filing Date:

07/12/2018 3:40 PM

Fiscal Year Close: 12

Status:

Active

Annual Report Due: 04/01/2019

**Duration Term:** 

Perpetual

Image #:

B0538-8473

Managed By:

Manager Managed

**Document Receipt** 

Receipt #: 004187319

Filing Fee:

\$300.00

Payment-Check/MO - WALLER LANSDEN DORTCH & DAVIS LLP, NASHVILLE, TN

\$300.00

Registered Agent Address:

C T CORPORATION SYSTEM

KNOXVILLE, TN 37919-5546

300 MONTVUE RD

STE A3

1200 WOODRUFF RD

**Principal Address:** 

GREENVILLE, SC 29607-5732

Congratulations on the successful filing of your Application for Certificate of Authority for New Hope Treatment Center of Tennessee, LLC in the State of Tennessee which is effective on the date shown above. Please visit the Tennessee Department of Revenue website (apps.tn.gov/bizreg) to determine your online tax registration requirements. If you need to obtain a Certificate of Existence for this entity, you can request, pay for, and receive it from our website.

You must file an Annual Report with this office on or before the Annual Report Due Date noted above and maintain a Registered Office and Registered Agent. Failure to do so will subject the business to Administrative Dissolution/Revocation.

Secretary of State

Processed By: Jeff Cook

### APPLICATION FOR CERTIFICATE OF AUTHORITY LIMITED LIABILITY COMPANY (68-4233)

Page 1 of 2



Business Services Division
Tre Hargett, Secretary of State
State of Tennessee
312 Ross J. Porks AVE 6th El

312 Rosa L. Parks AVE, 6th Fl. Nashville, TN 37243-1102 (615) 741-2286

Filing Fee: \$50.00 per member (minimum fee = \$300, maximum fee = \$3,000)



For Office Use Only

To The Secretary of the State of Tennessee: Pursuant to the provisions of T.C.A. §48-249-904 of the Tennessee Revised Limited Liability Company Act, the undersigned hereby applies for a certificate of authority to transact business in the State of Tennessee, and for that purpose sets forth:
1. The name of the Limited Liability Company is: New Hope Treatment Center of Tennessee, LLC
If different, the name under which the certificate of authority is to be obtained is:
NOTE: The Secretary of State of the State of Tennessee may not Issue a certificate of authority to a foreign Limited Liability Company if its name does not comply with the requirements of T.C.A. §48-249-106 of the Tennessee Revised Limited Liability Company Act. If obtaining a certificate of authority under an assumed Limited Liability Company name, an application must be filed pursuant to T.C.A. §48-249-106(d).
2. The state or country under whose law it is formed is: South Carolina
and the date of its formation is: $\frac{09}{Month}$ , $\frac{14}{Day}$ , $\frac{2015}{Your}$ and the date it commenced doing business in Tennessee is: $\frac{07}{Month}$ , $\frac{13}{Day}$ , $\frac{2018}{Your}$
NOTE: Additional filing fees and proof of tax clearance confirming good standing may apply if the Limited Liability Company commenced doing business in Tennessee prior to the approval of this application. See T.C.A. §48-249-913(d) and T.C.A. §48-249-905(c)
3. This company has the additional designation of:
The name and complete address of its registered agent and office located in the state of Tennessee Is:     Name: CT Corporation System
Address: 300 Montvue Rd
City: Knoxville State: TN Zip Code: 37919-5546 County: Knox
5. Fiscal Year Close Month: December
6. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date and time is: (Not to exceed 90 days)  Effective Date://
7. The LLC will be: Member Managed Manager Managed Director Managed Board Managed Other
8. Number of Members at the date of filing: 6
9. Period of Duration: Perpetual Other
10. The complete address of its principal executive office is:  Address: 1200 Woodruff Road, Suite A3  City: Greenville State: South Carolina Zip Code: 29607

Rev. 10/12

### APPLICATION FOR CERTIFICATE OF AUTHORITY LIMITED LIABILITY COMPANY (ss-4233)

Page 2 of 2



Business Services Division
Tre Hargett, Secretary of State
State of Tennessee
312 Rosa L. Parks AVE, 6th Fl.
Nashville, TN 37243-1102
(615) 741-2286

Filing Fee: \$50.00 per member

For Office Use Only

(minimum fee = \$300, n	naximum fee = \$3,000)	
The name of the Limited Liability Company ls: New Hope Treatment Center of Tennessee, LLC		
11. The complete mailing address of the entity (If different from the Address:	e principal office) is:	
City: State:	Zip Code:	
under or subject to the provisions of the Tennessee Nonp	Non-Profit LLC" is entered in section 3.) ember is a nonprofit corporation, foreign or domestic, incorporated profit Corporation Act and who is exempt from franchise and excise usiness is disregarded as an entity for federal income tax purposes.	
13. Professional LLC (required only if the Additional Designation of I certify that this PLLC has one or more qualified persons I certify that this entity meets the requirement of T.C.A. §4 Licensed Profession:	as members and no disqualified persons as members or holders. 8-249-1123(b)(3)	
14. Series LLC (required only if the Additional Designation of "Ser I certify that this entity meets the requirements of T.C.A. §		
If the provisions of T.C.A. §48-249-309(i) (relating to foreign should be attached as part of this document,	n series LLCs) apply, then the information required by that section	
15. Obligated Member Entity (list of obligated members and signal This entity will be registered as an Obligated Member Entity		
☐ I understand that by statute: THE EXECUTION AND FILIN PERSONALLY LIABLE FOR THE DEBTS, OBLIGATIONS THE SAME EXTENT AS A GENERAL PARTNER OF A GE	IG OF THIS DOCUMENT WILL CAUSE THE MEMBER(S) TO BE AND LIABILITIES FOR THE LIMITED LIABILITY COMPANY TO	
16. Other Provisions:		
· · · · · · · · · · · · · · · · · · ·	1	
7-12-18 Signature Date	Signature Secretary	
Manager Signer's Capacity (if other than individual capacity)	Richard L. Sherman  Name (printed or typed)	
angular a bapatany (ii outtor triait individual capacity)	rame (printed or typed)	

Rev. 10/12

### The State of South Carolina



### Office of Secretary of State Mark Hammond

### Certificate of Existence

I, Mark Hammond, Secretary of State of South Carolina Hereby Certify that:

NEW HOPE TREATMENT CENTER OF TENNESSEE, LLC, a limited liability company duly organized under the laws of the State of South Carolina on September 14th, 2015, with a duration that is until 12/31/2114, has as of this date filed all reports due this office, paid all fees, taxes and penalties owed to the State, that the Secretary of State has not mailed notice to the company that it is subject to being dissolved by administrative action pursuant to S.C. Code Ann. 33-44-809, and that the company has not filed articles of termination as of the date hereof.

Given under my Hand and the Great Seal of the State of South Carolina this 12th day of July, 2018.

Mark Hammond, Secretary of State

### The State of South Carolina



### Office of Secretary of State Mark Hammond

### Certificate of Existence

I, Mark Hammond, Secretary of State of South Carolina, Hereby Certify that;

NEW HOPE TREATMENT CENTER OF TENNESSEE, LLC, a limited liability company duly organized under the laws of the State of South Carolina on September 14th, 2015, with a duration that is until December 31st, 2114, has as of this date filed all reports due this office, paid all fees, taxes and penalties owed to the State, that the Secretary of State has not mailed notice to the company that it is subject to being dissolved by administrative action pursuant to S.C. Code Ann. 33-44-809, and that the company has not filed articles of termination as of the date hereof.

Given under my Hand and the Great Seal of the State of South Carolina this 16th day of September, 2015.

Mark Hammond, Secretary of State

### STATE OF SOUTH CAROLINA SECRETARY OF STATE

### ARTICLES OF ORGANIZATION

Limited Liability Company – Domestic Filing Fee - \$110.00 CERTIFIED TO DE A TRUE AND CORRECT COPY AS TAKEN FROM AND COMPARED WITH THE ORIGINAL ON FILE IN THIS OFFICE

SEP 1 4 2015

SECRETARY OF STATE OF SOUTH CAROLINA

### TYPE OR PRINT CLEARLY IN BLACK INK

The undersigned delivers the following articles of organization to form a South Carolina limited liability company pursuant to S.C. Code of Laws § 33-44-202 and § 33-44-203.

- 1. The name of the limited liability company is New Hope Treatment Center of Tennessee, LLC
- 2. The address of the initial designated office of the Limited Liability Company in South Carolina is

1200 Woodruff Road, Suite A3 Greenville, SC 29607

3. The initial agent for service of process is Richard L. Sherman and the street address in South Carolina for this initial agent for service of process is

> 1200 Woodruff Road, Suite A3 Greenville, SC 29607

 List the names and addresses of each organizer. Only one organizer is required, but you may have more than one.

> Richard L. Sherman 1200 Woodruff Road, Suite A3 Greenville, SC 29607

- 5. Check this box only if the company is to be a term company. If the company is a term company, provide the term specified: From the date these articles are filled with the South Carolina Secretary of State until December 31, 2114.
- 6. Check this box only if management of the limited liability company is vested in a manager or managers. If this company is to be managed by managers, specify the name and address of each initial manager.

Richard L. Sherman 1200 Woodruff Road, Suite A3 Greenville, SC 29607

- 7. Check this box only if one or more of the members of the company are to be liable for its debts and obligations under § 33-44-303(c). If one or more members are so liable, specify which members, and for which debts, obligations or liabilities such members are liable in their capacity as members. This provision is optional and does not have to be completed.
- 8. Unless a delayed effective date is specified, these articles will be effective when endorsed for filing by the Secretary of State. Specify any delayed effective date and time:

150915-0094 FILED: 09/14/2015 NEW HOPE TREATMENT CENTER OF TENNESSEE, LLC Filing Fee: \$110.00 ORIG

Mark Hammond

South Carolina Secretary of State

9. Any other provisions not inconsistent with law which the organizers determine to include, including any provisions that are required or are permitted to be set forth in the limited liability company operating agreement may be included on a separate attachment. Please make reference to this section if you include a separate attachment.

Except as otherwise specifically provided in the limited liability company's operating agreement, all Managers must sign and deliver any instrument transferring or affecting the limited liability company's interest in real property.

10. Each organizer listed under number 4 must sign:

Richard L. Sherman

Date.

#### Filing Checklist

- . Two completed copies of this form must be submitted for filing.
- \* \$110.00 made payable to the South Carolina Secretary of State
- Self-addressed, stamped return envelope
- Make sure the organizer has signed the form. Only one organizer is required, but you may have more
- than one. If you have more than one organizer, every organizer listed on the form must sign. The
- organizer is the individual who completes the documents and delivers them for filing to the Secretary
- of State. The organizer may be an owner of the entity, but he or she does not have to be. The organizer
- may simply be an individual who assists in the formation of the LLC without having any involvement
- with subsequent ownership or operational functions.
- Return all documents to:

South Carolina Secretary of State's Office

Attn: Corporate Filings

1205 Pendleton Street, Suite 525

Columbia, S.C. 29201

#### SPECIAL NOTE

Registering your limited liability company name does not, in and of itself, provide an exclusive right to use this name on or in connection with any product or service. Use of a name as a trademark or service mark requires further clearance and registration and may be affected by prior use of the mark. For more information, contact the Trademarks Division of the Secretary of State's Office.

# Attachment A-6A Option to Lease Option to Purchase Deed

### OPTION TO LEASE AGREEMENT

THIS OPTION TO LEASE AGREEMENT (the "Agreement") is made and entered into as of this 11<sup>th</sup> of July 2018, by and between New Outlook, LLC ("Landlord") and New Hope Treatment Center of Tennessee, LLC, a South Carolina limited liability company ("Tenant").

#### WITNESSETH

WHEREAS, Landlord owns a building located at 135 Fox and Hound Way, Newport Tennessee 37821, Cocke County (the "Property"); and

WHEREAS, Landlord desires to enter into an option with Tenant whereby Landlord grants to Tenant the option to lease approximately 5,600 square feet of the Property (the "Leased Premises"), which option must be exercised as set forth below.

NOW, THEREFORE, for \$10 cash in hand paid and in consideration of the mutual promises set forth herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

### SECTION 1 GRANT OF OPTION

- 1.1 Landlord hereby grants to Tenant an exclusive option to lease the Leased Premises, upon the terms and conditions set forth herein (the "Option").
- 1.2 The term of Tenant's Option shall commence on 1st of December 2018 and shall continue for a period of thirty-six (36) months from the date hereof (the "Option Period"). The Option Period may be extended at any time prior to its expiration upon the mutual consent of the parties.
- 1.3 Tenant shall exercise its Option by delivering written notice to Landlord within the Option Period by Registered or Certified Mail, or in person.
- 1.4 Notwithstanding the foregoing, the Option shall automatically terminate if Tenant is not successful in obtaining a Certificate of Need to locate a non-residential methadone/substitution-based treatment center at the Leased Premises, from the State of Tennessee Health Services and Development Agency, on or before October 24, 2018, and provided the Agency's decision cannot be overturned on appeal.

4833-4951-0253.1

### SECTION 2 TERMS AND CONDITIONS OF THE LEASE

- 2.1 Upon the exercise of the Option by Tenant as set forth herein, the parties agree to execute a formal lease agreement, subject to any terms and conditions contained in this Agreement and as mutually agreed upon by the parties. The parties expect that rent shall reflect the fair market value of the property and shall be approximately \$5 per square foot \$2300 per month, depending on the cost of improvements and the location in the building.
- 2.2 The initial term of Tenant's lease of the Leased Premises shall be for a period of thirty-six (36) months (the "Term").

### SECTION 3 MISCELLANEOUS PROVISIONS

3.1 Any notices required or permitted herein shall be addressed as follows and delivered to the other party by either registered or certified mail, facsimile, or in person:

If to Landlord:

New Outlook, LLC 1200 Woodruff Rd. Suite A3 Greenville, SC 29607

If to Tenant:

New Hope Treatment Center of Tennessee, LLC 1200 Woodruff Rd. Suite A3 Greenville, SC 29607

[Signature Page Follows on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by such party, as of the date first above written.

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New Outlook, LLC

By: Michael Steeman '0.0.
Name: Tickford Sherman

TENANT:

New Hope Treatment Center of Tennessee, LLC

By: All Dailly
Name: Joy Baivey
Title: Member



### COMMERCIAL LEASE TO PURCHASE

(To be used pursuant to a Commercial Lease Agreement, Single Tenant)

TIM MCMASTER	Buyer/Tenant") hereby agrees	ASTEN		eferred to as	"Seller/ Landlord") all
that tract of land known as:					(Address)
	ity), Tennessee, 37821 (Zi				egister of Deeds Office,
1346 deed book(s)			instrument no.	and further	described as:
TAX MAP 046, PARCEL	058.00 together with all fixt	ures, landscap	ing, improveme	ents, and app	urtenances, all being
hereinafter collectively refe	erred to as the "Property", as mo	re particularly	described in E	xhibit "A" o	r if Exhibit "A" is not
Commercial Force to Describ	the Register of Deeds of the co	ounty in which	the Property is	located and	is made a part of this
Agreement between the abo	nase Agreement (or "Agreement ove referenced parties dated	) by reference	e, this Agreen	ient is pursua	int to the Lease
				Tease Wate	emem.),
	action shall be consummated at			E. Women	and a
	Y (TO BE DETERMINED)			12th,_	2018 , (the "Closing
31	and place(s) the parties may a		-		
2. Purchase Price. The total	al Purchase Price for the Proper	ty pursuant to	this Agreemen	is One Hundr	ed Ninety-Nine Thousand
	00 ). Buyer/Tenant hereafter ag				
	d continuing on the same day of				
terms of the Lease Agreems \$with \$	being applied toward t	_ payable in _	equal m	onthry instal	ments of
3widi 3	ill be due and payable at Closin	g Any rent no	uie ruichase ri	rior the exec	ution of this A preement
are not applied toward the r	eduction of the Purchase Price.	g. ruly rent pe	aymonis made p	nior die chee	acion or mis Agreement
	At Closing, Seller/Landlord sh	all dalistav ta l	Dintar! Tananti		
(a) A Closing Statement;		ati deliver to i	Buyer Tenant.		
96					
(b) Deed (mark the appro					
General Warranty					
☐ Special Warranty	Deed				
Other:	Ver and the second		049109100 90 00		A SASTE O A SELECT AT LANGUAGE STORMS
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	the Title Company in the form of the Company to Issue Buyer/Ter				
subject only to Permit		iant me time i	roncy with an s	nanuaju exce	briotiz gererég aug
		o	-t		L. F. H. H. A. BOD CO.
	satisfactory to Buyer/Tenant at				
	delivered by Seller/Landlord un crively "Seller's Closing Docum		rapn, including	all documen	s/items indicated in
	mively Selier's Closing Docum	iems ).			
4. Conditions to Closing.	(*				
* BUYER AND SE	LLER WILL PAY THE	IR OWN P	ROSPECTIV	E CLOS	NG COSTS
WHEN OR IF S	UBJECT DEAL CLOSE	3.			, - ,
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examination of the Prope					
chosen not obtain	59				
the chosen to obtain a	bject to all deeds of trust, easer	nente and enc	umbrances of re	cord against	the Property
form is copyrighted and may only be	a used in real estate transactions in which in legal sanctions being brought against	Bi	urlin Alle	en agamst	is involved as a TAR authorized u
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4B 49 50 51 52 53 54 55 56 57 58 59 60	6.	Costs.  A. Seller/Landlord's Costs. Seller/Landlord shall pay all existing loans and/or liens affecting the Property; the cost of recording any title curative documents, including without limitation, satisfactions of deeds to secure debt, quitclaim deeds and financing statement termination; any accrued and/or outstanding association dues or fees; fee (if any) to obtain lien payoff/estoppel letters/statement of accounts from any and all associations, property management companies; mortgage holders or other liens affecting the Property; all deed recording fees; the fees of Seller/Landlord's counsel and, if checked, ti all transfer taxes, otherwise Buyer/Tenant is responsible for transfer taxes.  In the event Seller/Landlord is subject to Tax Withholding as required by the Foreign Investment in Real Property Tax Act, (hereinafter "FIRPTA"), Seller/Landlord additionally agrees that such Tax Withholding must be collected from Seller/Landlord by Buyer/Tenant's Closing Agent at the time of Closing. In the event Seller/Landlord is not subject to FIRPTA, Seller/Landlord shall be required as a condition of Closing to sign appropriate affidavits certifying that Seller/Landlord is not subject to FIRPTA. It is Seller/Landlord's responsibility
61 62 63 64 65 66 67		<ul> <li>to seek independent tax advice or counsel prior to the Closing Date regarding such tax matters.</li> <li>B. Buyer/Tenant's Costs. Buyer/Tenant shall pay the cost of Buyer/Tenant's counsel and consultants; any costs in connection with Buyer/Tenant's inspection of the Property and any costs associated with obtaining financing for the acquisition of the Property (including any intangibles tax. all deed recording fees and the cost of recording Buyer/Tenant's loan documents.)</li> <li>C. Additional Costs. In addition to the costs identified above, the following costs shall be paid by the parties hereto as indicated below;</li> </ul>
68 69 70 71 72 73 74 75	8	Item to be Paid Survey Title Examination Premium for Standard Owner's Title Insurance Policy Other: ALL INSPECTIONS Other: Other:
76 77 78 79	7.4	Taxes and Prorations. Real estate taxes on the Property for the calendar year in which the Closing takes place shall be prorated as of 12:01 a.m. local time on the Closing Date. In addition, the following items shall also be prorated as of 12:01 a.m. local time on the Closing Date [Select only those that apply to this transaction; the items not checked do not apply to this Agreement]:
80		□ Utilities □ Service Contracts □ Tenant Improvement Costs □ Rents
81		Leasing Commissions     Other.
82		Other: Other
83 84 85 86 87 88 89	8.	A. Seller/Landlord's Representations and Warranties. As of the Binding Agreement Date and the Closing Date, Seller/Landlord represents and warrants to Buyer/Tenant that Seller/Landlord has the right, power, and authority to enter into this Agreement and to convey the Property in accordance with the terms and conditions of this Agreement. The persons executing this Agreement on behalf of Seller/Landlord have been duly and validly authorized by Seller/Landlord to execute and deliver this Agreement and shall have the right, power, and authority to enter into this Agreement and to bind Seller/Landlord. Seller/Landlord also makes the additional representations and warranties to Buyer/Tenant, if any, as indicated on Exhibit "D".
91 92 93 94 95 96 97		B. Buyer/Tenant's Representations and Warranties. As of the Binding Agreement Date and the Closing Date, Buyer/Tenant represents and warrants to Seller/Landlord that Buyer/Tenant has the right, power, and authority to enter into this Agreement and to consummate the transaction contemplated by the terms and conditions of this Agreement. The persons executing this Agreement on behalf of Buyer/Tenant have been duly and validly authorized by Buyer/Tenant to execute and deliver this Agreement and shall have the right, power, and authority to enter into this Agreement and bind Buyer/Tenant. Upon Seller/Landlord's request, Buyer/Tenant shall furnish such documentation evidencing signor's authority to bind Buyer/Tenant.
98	9.	Agency and Brokerage.

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(1) In this Agreement, the term "Broker" shall mean a licensed Tennessee real estate broker or brokerage firm and,

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101 102 103 104		where the context would indicate, the Broker's affiliated licensees. No Broker in this transaction shall owe any duty to Buyer/Tenant or Seller/Landlord greater that what is set forth in their brokerage engagements, the Tennessee Real Estate Broker License Act of 1973, as amended, and the Tennessee Real Estate Commission rules and regulations.
105 106 107	(2)	A Designated Agent is one who has been assigned by his/her Managing Broker and is working as an agent for the Seller/Landlord or Buyer/Tenant in a prospective transaction, to the exclusion of all other licensees in his/her company.
108 109 110	(3)	An Agent for the Seller/Landlord or Buyer/Tenant is a type of agency in which the licensee's company is working as an agent for the Seller/Landlord or Buyer/Tenant and owes primary loyalty to that Seller/Landlord or Buyer/Tenant.
111 112 113 114 115 116	(4)	A Facilitator relationship occurs when the licensee is not working as an agent for either party in this consumer's prospective transaction. A Facilitator may advise either or both of the parties to a transaction but cannot be considered a representative or advocate for either party. "Transaction Broker" may be used synonymously with, or in lieu of, "Facilitator" as used in any disclosures, forms or agreements. [By law, any licensee or company who has not entered into a written agency agreement with either party in the transaction is considered a Facilitator or Transaction Broker until such time as an agency agreement is established.]
117 118		A dual agency situation arises when an agent (in the case of designated agency) or a real estate firm (wherein the entire real estate firm represents the client) represents both the Buyer/Tenant and Seller/Landlord.
119 120	(6)	If one of the parties is not represented by a Broker, that party is solely responsible for their own interests, and that Broker's role is limited to performing ministerial acts for the unrepresented party.
121	B. Ag	ency Disclosure.
122 123	(I)	The Broker, if any, working with the Seller/Landlord is identified on the signature page as the "Listing Company"; and said Broker is (Select One. The items not selected are not part of this Agreement):
124		the Designated Agent for the Seller/Landlord,
125		the agent for the Seller/Landlord,
126		a Facilitator for the Seller/Landlord, OR
127		a dual agent.
128 129:	(2)	The Broker, if any, working with the Buyer/Tenant is identified on the signature page as the "Selling-Company", and said Broker is (Select One. The items not selected are not part of this Agreement):
130		the Designated Agent for the Buyer/Tenant,
131		the agent for the Buyer/Tenant,
132		₩ a Facilitator for the Buyer/Tenant, OR
133		a dual agent.
134 135 136	(3)	Dual Agency Disclosure. [Applicable only if dual agency has been selected above] Seller/Landlord and Buyer/Tenant are aware that Broker is acting as a dual agent in this transaction and consent to the same. Seller/Landlord and Buyer/Tenant have been advised that:
137 138		1. In serving as a dual agent the Broker is representing two clients whose interests are, or at times could be, different or even adverse.
139		2. The Broker will disclose all adverse, material facts relevant to the transaction, and actually known to the
140 141		dual agent, to all parties in the transaction except for information made confidential by request or instructions from another client which is not otherwise required to be disclosed by law.
142		3. The Buyer/Tenant and Soiler/Landlord do not have to consent to dual agency, and
143 144		4. The consent of the Buyer/Tenant and Seller/Landlord to dual agency has been given voluntarily and the parties have read and understand their brokerage engagement agreements.
145		5. Notwithstanding any provision to the contrary contained herein; Seller/Landlord and Buyer/Tenant each
146		hereby direct Broker, if acting as a dual agent, to keep confidential and not reveal to the other party any
147		information which could materially and adversely affect their negotiating position unless otherwise
148		prohibited by law.
149	(4)	Material Relationship Disclosure. [Required with dual Agency] The Broker and/or affiliated licensees have

150			no material relationship with either client except as follows:
151.			material relationship means one of a personal, familial or business nature between the Broker and affiliate
152			licensees and a client which would impair their ability to exercise fair judgment relative to another client.
153			Seller/Landlord InitialsBuyer/Tenant Initials
154 155 156 157 158 159 160 161		Ċ.	Brokerage. Seller/Landlord agrees to pay Listing Broker at Closing the compensation specified by separate agreement. The Listing Broker will direct the closing agency/attorney to pay the Selling Broker, from the commission received, an amount, if any, in accordance with the terms and provisions specified by separate agreement. The parties agree and acknowledge that the Brokers involved in this transaction may receive compensation from more than one party. All parties to this Agreement agree and acknowledge that any real estate firm involved in this transaction shall be deemed a third party beneficiary only for the purposes of enforcing their commission rights, and as such, shall have the right to maintain an action on this Agreement for any and all compensations due and any reasonable attorney's fees and court costs.
. 14			
162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180		Sell Agrandined the their Buy builtox sew app for fina ack advasses Sell the of I	claimer. It is understood and agreed that the real estate firms and real estate licensee(s) representing or assisting ler/Landlord or Buyer/Tenant and their brokers (collectively referred to as "Brokers") are not parties to this reement and do not have or assume liability for the performance or nonperformance of Seller/Landlord or yer/Tenant. Buyer/Tenant and Seller/Landlord agree that Brokers shall not be responsible for any of the following, luding but not limited to, those matters which could have been revealed through a survey, title search or inspection of Property; the insurability of the Property or cost to insure the Property; for the condition of the Property, any portion reof, or any item therein; for any geological issues present on the Property; for any issues arising out of yer/Tenant's failure to physically inspect the Property prior to entering into this Agreement and/or Closing; for Iding products and construction techniques; for the necessity or cost of any repairs to the Property; for hazardous or ic materials; for the tax or legal consequences of this transaction, for the availability, capability, and/or cost of utility, yer, septic, or community amenities; for proposed or pending condemnation actions involving the Property; for incing; and for the uses and zoning of the Property which may affect the Property; for the terms, conditions and availability of medicing; and for the uses and zoning of the Property whether permitted or proposed. Buyer/Tenant and Seller/Landlord mowledge that Brokers are not experts with respect to the above matters and that they have not relied upon any rice, representations or statements of Brokers (including their firms and affiliated licensees) and waive and shall not ent any claims against Brokers (including their firms and affiliated licensees) and waive and shall not ent any claims against Brokers (including their firms and affiliated licensees) and other matters concerning Property are of concern to them, that they secure the services of appropriately credent
182	41.	Otl	her Provisions.
183 184 185 186 187 188 189 190 191 192		A.	Exhibits, Binding Effect, Entire Agreement, Modification, Assignment, and Binding Agreement Date. This Agreement shall be for the benefit of, and be binding upon, the parties hereto, their heirs, successors, legal representatives and assigns. No modification of this Agreement shall be binding unless signed by all parties or assigns to this Agreement. No representation, promise, or inducement not included in this Agreement shall be binding upon any party hereto. Any assignee shall fulfill all the terms and conditions of this Agreement. It is hereby agreed by both Buyer/Tenant and Seller/Landlord that any real estate agent working with or representing either party shall not have the authority to bind the Buyer/Tenant, Seller/Landlord or any assignee to any contractual agreement unless specifically authorized in writing within this Agreement. The parties hereby authorize either licensee to insert the time and date of the receipt of notice of acceptance of the final offer and further agree to be bound by such as the Binding Agreement Date following the signatory section of this Agreement, or Counter Offer, if applicable.
193 194 195 196		В.	Survival Clause. Any provision herein contained, which by its nature and effect, is required to be performed after Closing shall survive the Closing and delivery of the deed and shall remain binding upon the parties to this Agreement and shall be fully enforceable thereafter. Notwithstanding the above, the representations and warranties made in Exhibit "D" shall survive the Closing for a period of days after the date of Closing.
197 198		C.	Governing Law and Venue. This Agreement is intended as a contract for the purchase and sale of real property and shall be interpreted in accordance with the laws and in the courts of the State of Tennessee.
199		D.	Time of Essence. Time is of the essence in this Agreement.
200 201			Terminology. As the context may require in this Agreement: (1) the singular shall mean the plural and vice versa; (2) all pronouns shall mean and include the person, entity, firm, or corporation to which they relate; (3) the feminine

shall mean the masculine and vice versa; and (4) the term day(s) used throughout this Agreement shall be deemed to

be calendar day(s) ending at 11:59 p.m. local time unless otherwise specified in this Agreement. Local time is to be

determined by the location of the Property. All references to time are deemed to be local time. In the event a

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- performance deadline, other than the Closing Date and Offer Expiration Date, occurs on a Saturday, Sunday or legal holiday, the performance deadline shall be extended to the next following business day. Holidays as used herein are those days deemed federal holidays pursuant to 5 U.S.C. § 6103. In calculating any time period under this Agreement, the commencement day shall be the day following the initial date (e.g. Binding Agreement Date).
  - F. Responsibility to cooperate. Buyer/Tenant and Seller/Landlord agree to timely take such actions and produce, execute, and/or deliver such information and documentation as is reasonably necessary to carry out the responsibilities and obligations of this Agreement. Except as to matters which are occasioned by clerical errors or omissions or erroneous information, the approval of the Closing documents by the parties shall constitute their approval of any differences between this Agreement and the Closing. The Buyer/Tenant and Seller/Landlord agree that if requested after Closing they will correct any documents and pay any amounts due where such corrections or payments are appropriate by reason of mistake, clerical errors or omissions, or the result of erroneous information.
  - G. Notices. Except as otherwise provided herein, all notices and demands required or permitted hereunder shall be in writing and delivered either (1) in person, (2) by a prepaid overnight delivery service, (3) by facsimile transmission (FAX), (4) by the United States Postal Service, postage prepaid, registered or certified return receipt requested or (5) Email. NOTICE shall be deemed to have been given as of the date and time it is actually received. Receipt of notice by the real estate licensee or their Broker assisting a party as a client or customer shall be deemed to be notice to that party for all purposes under this Agreement as may be amended, unless otherwise provided in writing.
  - H. Default. Should Buyer/Tenant default under the terms of the Lease Agreement, this Agreement shall be deemed null and void and any monies collected as Base Rent under this Agreement, including those to be applied to the balance of the Purchase Price will be forfeited by Buyer/Tenant as damages to Seller/ Landlord. Should Seller/Landlord default under the terms of the Lease Agreement, this Agreement shall be deemed null and void and monies collected which were applied to the balance of the Purchase Price shall be refunded to Buyer/Tenant.
  - I. Remedies. In the event of a breach of this Agreement, the non-breaching party may pursue all remedies available at law or in equity except where the parties have agreed to arbitrate. In the event that any party hereto shall file suit for breach or enforcement of this Agreement (including suits filed after Closing which are based on or related to the Agreement), the prevailing party shall be entitled to recover all costs of such enforcement, including reasonable attorney's fees. The parties hereby agree that all remedies are fair and equitable and neither party will assert the lack of mutuality of remedies as a defense in the event of a dispute.
  - J. Equal Opportunity. This Property is being sold without regard to race, color, sex, religion, handicap, familial status, or national origin.
  - K. Severability. If any portion or provision of this Agreement is held or adjudicated to be invalid or unenforceable for any reason, each such portion or provision shall be severed from the remaining portions or provisions of this Agreement, and the remaining portions or provisions shall be unaffected and remain in full force and effect.
  - L. Construction. This Agreement or any uncertainty or ambiguity herein shall not be construed against any party but shall be construed as if all parties to this Agreement jointly prepared this Agreement.
  - M. Conflict. Should the terms of this Agreement conflict with the terms of the Lease Agreement referenced above or any other documents executed prior to or simultaneous to the execution of this Commercial Lease to Purchase Agreement, the terms of this Commercial Lease to Purchase Agreement shall control, and the conflicting terms are hereby considered deleted and expressly waived by both Seller and Buyer. In all other respects, the Lease Agreement between the parties shall remain in full force and effect.
  - 12. Exhibited and Addenda. All exhibits and/or addenda attached hereto, listed below, or referenced herein are made a part of this Agreement. If any such exhibit or addendum conflicts with any preceding paragraph, said exhibit or addendum shall control:
    - □ Exhibit "A" Legal Description
    - D Exhibit "B" Due Diligence Documents
    - Exhibit "C" Addition to Seller's Closing Documents
    - □ Exhibit "D" Seller's Warranties and Representations

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- 259 13. Special Stipulations. The following Special Stipulations, if conflicting with any preceding paragraph, shall control:
  - \* CONTRACT TO PURCHASE IS CONTINGENT UPON BUYER OBTAINING A C.O.N. (CERTIFICATION OF NEED) FROM THE STATE OF TENNESSEE. PERTAINING TO THE LOCATION OF SUBJECT BLDG AND BLDG ITSELF.
  - \* BUYER WILL DO ALL INSPECTIONS PERTAINING TO SUBJECT BLDG WITHIN 5 DAYS OF A BINDING AGREEMENT. CONTRACT IS CONTINGENT UPON THESE INSPECTIONS.
  - \* BUYER WILL GIVE SELLER \$1200.00 x 3 = \$3600.00 WITHIN 10 DAYS OF A BINDING AGREEMENT. BUYER WILL ALSO GIVE SELLER \$1200.00 x 3 = \$3600.00 ON THE FIRST DAY OF THE 4TH MONTH OF AGREEMENT. THESE MONIES ARE NON- REFUNDABLE AND WILL GO THROUGH REALTOR INVOLVED MADE OUT TO THE SELLER. BUYER CAN CLOSE PRIOR TO THE PROPOSED CLOSING DATE IF OPPORTUNITY ARISES AND ALL PARTIES ARE IN AGREEMENT.
  - \* BUYER CANNOT MAKE ANY MODIFICATIONS OR USE BLDG PRIOR TO CLOSING OF SUBJECT PROPERTY.
  - \* SELLER CANNOT MAKE ANY MODIFICATIONS TO BLDG WITHOUT NOTIFYING BUYER OF SUCH.
  - \* BUYER CAN SEND OUT REPRESENTATIVES AS NEEDED WITH PROPER NOTIFICATION.
  - \* SELLER WILL MAINTAIN SUBJECT BLDG, GROUNDS, ALL UTILITIES AND PROPER INSURANCE TO PROTECT BOTH THE SELLER AND FUTURE BUYERS INTERESTS AND INVESTMENT UNTIL AND IF SUBJECT PROPERTY CLOSES.
  - \* THESE AGREEMENTS CANNOT BE EXTENDED UNLESS AGREED UPON BY BOTH PARTIES. IN WHICH THE TERMS WILL BE RENEGOTIATED AT THAT TIME.
  - \* THIS DOCUMENT WILL SERVE AS ONLY DOCUMENT PERTAINING TO LEASE TO PURCHASE OPTION.

(Mark box if additional pages are attached.)

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14. Method of Execution. The parties agree that signatures and initials transmitted by a facsimile, other photocopy transmittal, or by transmittal of digital signature as defined by the applicable State or Federal Law will be acceptable and may be treated as originals and that the Agreement containing all signatures and initials may be executed partially by original signature and partially on facsimile, other photocopy documents, or by digital signature as defined by the applicable State or Federal Law.

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any questions about it, you should review it with	al document creating valuable rights and obligations. If you have your attorney. Neither the Broker nor any Agent or Facilitator is			
authorized or qualified to give you any advice abou	ut the advisability or legal effect of its provisions.			
NOTE: Any provisions of this Agreement which Agreement. By affixing your signature below, you received a copy of this Agreement.	n are preceded by a box "p" must be marked to be a part of this ou also acknowledge that you have reviewed each page and have			
Buyer/Tenant hereby makes this offer.				
Donbaillow				
BUYER TENANT JOY BATLLEY	BUYER/TENANT			
By: Joy Bailley	Ву:			
Title: OFFICER	Title:			
Entity: NEW HOPE TREATMENT CENTER	Entity:			
at o'clock am/. pm	at o'clock am/ apm			
Offer Date	Offer Date			
Seller/Landlord hereby:	A CONTRACTOR OF THE CONTRACTOR			
D ACCEPTS - accepts this offer.				
D COUNTERS - accepts this offer subject to	the attached Counter Offer(s).			
□ REJECTS this offer and makes no counter of				
The second secon				
Cha	Janet memoster			
SELLERIZANDLORD TIM MCMASTER	SELLER/LANDLORD  By:			
Ву:				
Title: OWNER	Title:			
Entity: FOX AND HOUNDS BANQ FAC	Entity:			
<u>V-8-16 at Z</u> o'clock □ am/ prom Date	<u>N-8-/1</u> at o'clock □ am/ aom Date			
Binding Agreement Date. This instrument shall be	ecome a "Binding Agreement" on the date ("Binding Agreement Date"			
the last offeror, or licensee of offeror, receives notice	ce of offeree's acceptance. Notice of acceptance of the final offer wa			
received by	ororato'clock \(\sigma\) am/ \(\sigma\) pm			
For Information Purposes Only:				
REMAX BETWEEN THE LAKES	REMAX BETWEEN THE LAKES			
Listing Company	Selling Company			
BURLIN ALLEN	BURLIN ALLEN			
Independent Licensee	Independent Licensee			
burlin@burlinallen.com	burlin@burlinallen.com			
Licensee Email	Licensee Email			
	its week and to represent one and le to be used as is. By downloading and/or using this for			
the desiration amountains an add of anid form is done at the	its contents except as where provided in the hlank fields, and agree and acknowledge the four own risk. Use of the TAR logo in conjunction with any form other than standardize ect to periodic revision and it is the responsibility of the member to use the most receive the most received the most receive the most			

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3 PGS : AL - WARRANTY DEED				
LINDA BATCH, 35033	03/16/2011 -			
VALUE	40			
MORTGAGE TAX				
TRANSFER TAX				
RECORDING FEE				
ARCHIVE FEE				
DP FEE				
REGISTER'S FEE				
TOTAL AMOUNT				
STATE OF TENNES	SEE, COCKE CO BENSON			

## WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS: That for the considerations hereinafter recited, the undersigned, THOMAS EUGENE FORRESTER, JR. and wife, DEBORAH G. FORRESTER, have this day bargained and sold, and by these presents do hereby bargain, sell, transfer and convey unto TIM MCMASTER and wife, JANET MCMASTER, a one-half undivided interest as tenants by the entirety, and PAUL C. FRANCIK, a one-half undivided interest, and to their heirs and assigns, in fee simple forever, the following described real estate:

TRACT NO. ONE: SITUATE in District No. FOUR (4) of Cocke County, Tennessee, and bounded and described as follows:

BEGINNING on an iron pin on the west margin of a 15 feet street; thence N 47 deg. 15 min. W 153.5 feet to a black oak; thence N 10 deg. 00 min. E 200 feet to an iron pin; thence 53 deg. 30 min. E 210 feet to an iron pin on the west margin of a 15 feet street; thence with the west margin of said street S 28 deg. 30 min. W 200 feet to the beginning containing one-half (1/2) of one (1) acre, more or less.

TRACT NO. TWO: SITUATE in District No. FOUR (4) of Cocke County, Tennessee, and being more particularly described as follows:

BEGINNING at a corner to Barney Suttles and running thence North 6-1/2 East 300.4 feet to a stake; thence North 79-1/2 East 225.4 feet to a stake point by a sweet gum; thence South 71 East 74.3 feet across a branch to a white oak stump; thence North 89 deg. West 57.8 feet back across the branch to a stake; thence South 23 deg. 192 feet to a stake pointed y a cedar; thence South 25-1/2 West 292.3 feet to a stake; thence North 61 deg. West 2240 feet to the beginning point, containing 3.54 acres, more or less.

An easement is also conveyed over the 30 foot street or right of way leading from the Knoxville Highway to the property herein conveyed and this right of way is subject to the use of any prior purchasers of any portion of the original tract of land of which this conveyance is a part.

BEING the same property conveyed to Thomas Eugene Forrester, Jr. and wife, Deborah G. Forrester by quitclaim deed of Fox and Hounds, Inc., a Tennessee Corporation, dated the 1st day of March, 2011 and of

This instrument prepared by: Bacon, Jessee & Perkins, 1135 West Third North Street, Morristown, Tennessee 37814.

Any examination of title, title search or title insurance policy will be evidenced by a separate document, certificate or policy. By this instrument preparer makes no representations as to title or survey. Failure to promptly record this instrument may seriously impair your rights.

record in the Register's Office for Cocke County, Tennessee in Instrument Book 1346, page 481.

TO HAVE AND TO HOLD unto the said TIM MCMASTER and wife, JANET MCMASTER and PAUL C. FRANCIK, and unto their heirs and assigns, in fee simple forever, the above described real estate, together with the improvements thereon, and the hereditaments and appurtenances thereunto appertaining.

AND THE UNDERSIGNED HEREBY COVENANTS with the said TIM MCMASTER, JANET MCMASTER and PAUL C. FRANCIK, and with their heirs and assigns, we are lawfully seized and possessed of said real estate, that we have a good and valid right to sell and convey the same; that said real estate is free from all encumbrances, except as herein set out and except for the lien of the current taxes which shall be prorated between the parties as of the date of this instrument, and that we will forever warrant and defend the title thereto against the lawful claims of all persons whomsoever.

The consideration for this sale and conveyance is a good and sufficient consideration, the receipt of which is hereby acknowledged.

As of the 1st day of March, 2011.

THOMAS EUGENE FORRESTER, JR.

DEBORAH G FORRESTER

STATE OF TENNESSEE COUNTY OF HAMBLEN

Personally appeared before me, a Notary Public in and for the state and county aforesaid, THOMAS EUGENE FORRESTER, JR. and wife, DEBORAH G. FORRESTER, with whom I am personally acquainted, and who acknowledged they executed the within instrument for the purposes therein contained.

WITNESS my hand and official seal at office in said county this

March, 2011.

My commission expires: June 4, 2011

•

Any examination of title, title search or title insurance policy will be evidenced by a separate document, certificate or policy. By

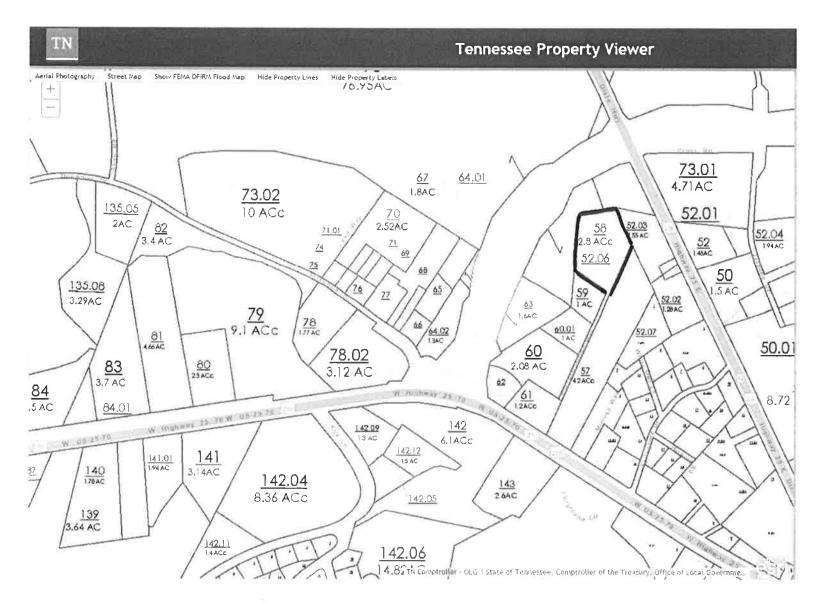
This instrument prepared by: Bacon, Jessee & Perkins, 1135 West Third North Street, Morristown, Tenns

TIMMCMaster et al	5560	WINE	say	Way
NAME AND ADDRESS OF PROPERTY	OWNERS(S	duille	TN	37860
NAME AND ADDRESS OF PERSON(S) TAXES	RESPONSI	BLE FOR I	PAYM	ENT OF
TAX PARCEL IDENTIFICATION NO.				
I hereby swear or affirm that the actual or greater is \$\\\400,000\].	true value of	this transf	er, whi	chever is
Affiant Subscribed and sworn to before me this	15 day of	Marc	h	, 2011.
My commission expires: J	une 4, 2	2011	THE	STATE OF OF NOTARY PUBLIC L. EN COUNT

This instrument prepared by: Bacon, Jessee & Perkins, 1135 West Third North Street, Morristown, Tennessee 37814...

Any examination of title, title search or title insurance policy will be evidenced by a separate document, certificate or policy. By this instrument preparer makes no representations as to title or survey. Failure to promptly record this instrument may seriously impair your rights.

# Attachment A-6-B1 Plot Plan



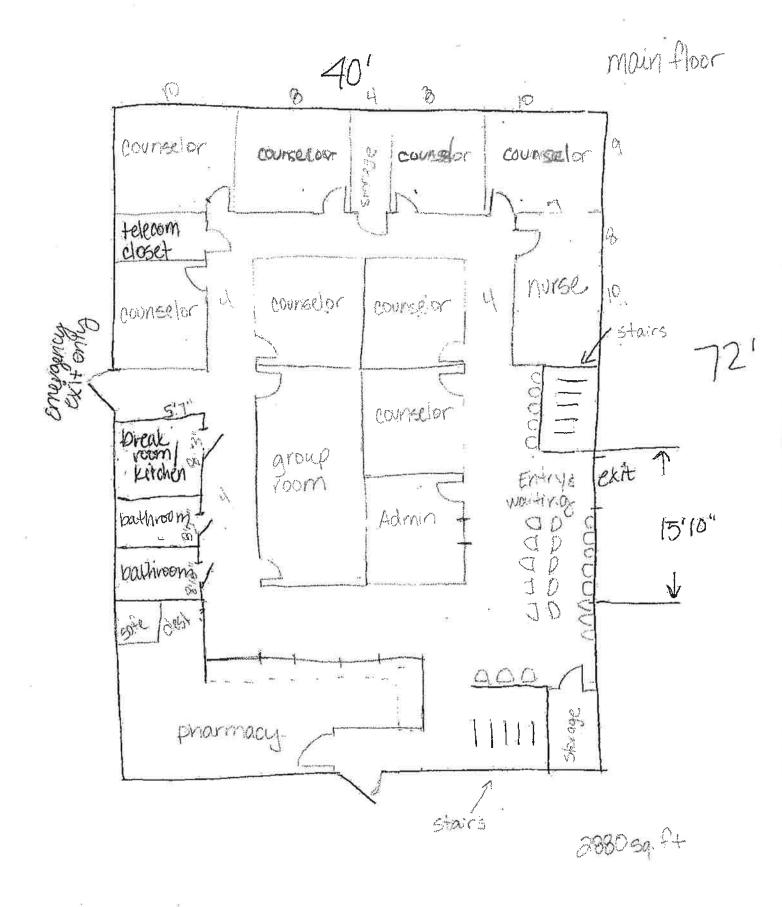






# Attachment A-6-B2

# Floor Plan



mais figer Existing floorplan 381 8" 4 27' 55' かが + 57 h 5134 exit 3' 5evve Area 6'8" 15104 8174 5,2" 81100 317" 13'2" 24'9" C 13'8" 31 2000 sq. ft.

# Attachment A-6B-3 Transportation



June 26, 2018

To Whom It May Concern:

East Tennessee Human Resource Agency (ETHRA) provides public transit in Cocke, Sevier, Jefferson and Hamblen counties.

If you have any questions or need further information, you may call Brent Gagley, Assistant Transportation Director at (865) 691-2551 ext. 4204.

Sincerely,

Gary W. Holiway Executive Director

# ETHRA PUBLIC TRANSIT

Home About Our Service Service Area Fares Safety Links Contact Emp





# Our Service

Approximately 100 vehicles are on the road every day helping individuals access community and health services. Drivers travel throughout the region and clock over 3 million miles a year. Public and medical transportation are essential to help thriving, active communities.



All fares are for one way

In County: \$3.00 County Line Crossed: \$3.00

Extra Stops: \$1.00 each stop

Children (Under 6): \$1.50



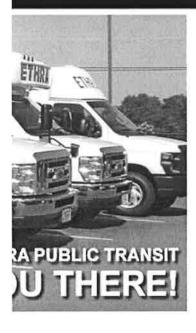
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# Oak Ridge Transit

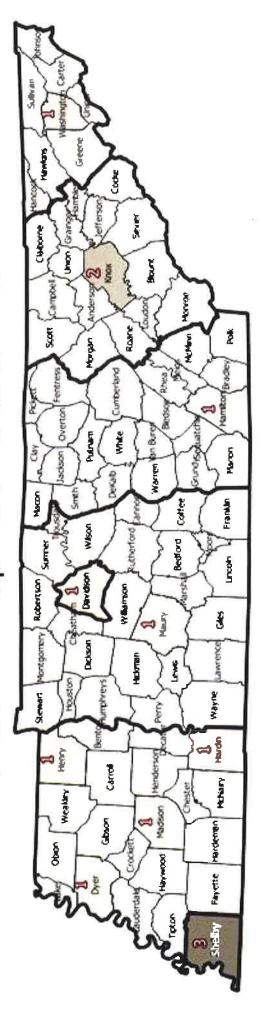


# iervice Area

6 East Tennessee counties of Anderson, Blount, ampbell, Claiborne, Cocke, Grainger, Hamblen, efferson, Knox, Loudon, Monroe, Morgan, Roane, Scott, evier and Union.

# Attachment C, Need-NRMTF OTPs and Buprenorphine Providers

# Tennessee Opioid Treatment Clinics



# Shelby (Memphis)

Behavioral Health Group (BHG) Memphis North 2165 Spicer Cover #5

Memphis, TN 38134

(901) 372-7878

Hours of Operation M-F 5a-1:30p; Sat 6a-9a

Hours of Operation M-Sat 5a-11a

640 Hwy 51 Bypass 3, Suite M

Dyersburg, TN 38024

731) 285-6535

4539 Winchester Suite 1111 **BHG Memphis South** 

(901) 375-1050

Memphis, TN 38118

Hours of Operation M-F 5:45a-2p; Sat 6a-9a

3HG Memphis Midtown

Memphis, TN 38104 1734 Madison Ave

(901) 722-9420

Hours of Operation M-F 5a-1p; Sat 6a-2p

Oyer (Dyersburg) **BHG Dyersburg** 

Hardin (Savannah)

Hours of Operation M-Sat 5:30a-12p Solutions of Savannah Savannah, TN 38372 85 Harrison Street (731) 925-2767

# Maury (Columbia)

202 South James Campbell Blvd. Columbia, TN 38401 (931) 381-0020 BHG Columbia

# Davidson (Nashville)

Hours of Operation M-Sat 5:30a-11a

Hours of Operation M-F 5a-1p; Sat 6a-2p

58 Carriage House Drive

Madison (Jackson)

BHG Jackson

Jackson, TN 38305

731) 660-0880

2410 Charlotte Avenue Nashville, TN 37203 BHG Nashville

(615) 321-2575 Hours of Operation M-Sat 6a-1p

Hours of Operation M-Sat 5a-1p

2555 East Wood Street

Henry (Paris) **BHG Paris**  Paris, TN 38242

731) 641-4545

# Hamilton (Chattanooga)

Hours of Operation M-Sat 5:30a-2p Volunteer Treatment Center, Inc. Chattanooga, TN 37408 2347 Rossville Blvd (423) 265-3122

# Knox (Knoxville)

Hours of Operation M-Sat 5:30a-2:30p BHG Knoxville - Central Knoxville, TN 37921 412 Citico Street (865) 522-0661

**BHG Knoxville -Bernard** 626 Bernard Avenue

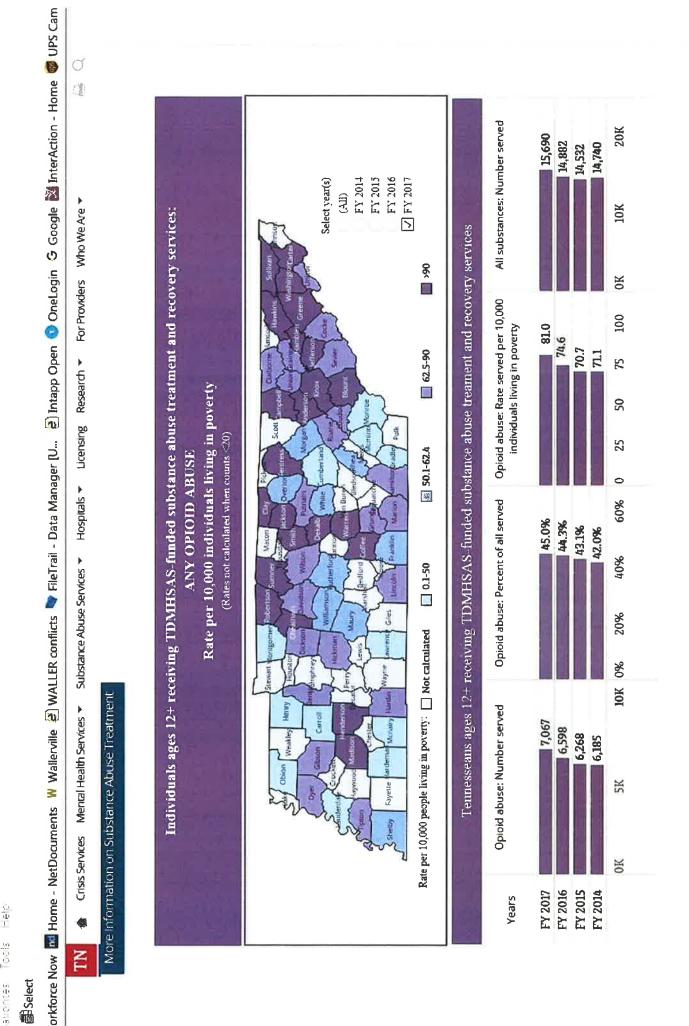
Knoxville, TN 37921 (865) 522-0161

Hours of Operation M-Sat 5:30a-2:30p

# Washington (Gray)

203 Gray Commons Circle, Suite 110 Johnson City, TN 37615 Overmountain Recovery

Hours of Operation: M-F 5:30a-11a (423) 467-2800



S Fast Facts: Opioid Treatment

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www.tn.gov/behavioral-health/research/tdmhsas-fast-facts-test-3/fast-facts-tdmhs β ▼

Census, 2013-2016.

Notes: (1) Individuals reporting opioid abuse receiving TDMHSAS-funded substance abuse treatment and recovery services include Tennessee residents age 12 and older, below the 133% poverty level and have no other insurance coverage for substance abuse treatment and/or recovery services. (2) Opioids include prescription opioids, methadone and heroin. (3) Up to three substances can be listed for each treatment admission. Individuals abusing opioids includes any mention of opioids. (4) Percentages and rates per 10,000 people living in poverty for ages 12 and older were calculated for counties with 20 or more individuals abusing opioids. (5) Information is based on county of residence.

# Buprenorphine Treatment Practitioners Service Area

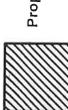
County	First	Last	Deg.	Address	City	County	Zip	Phone #
Cocke								
	Nathan	DeWitt		229 Hedrick Drive	Newport	Cocke	37821	423-623-1028
<u>Grainger</u>								
	None							
Greene								
	Dr. Kelly	Chumbley	D.O.	Emmaus Medical and Counseling 45 Laurel Gap Rd.	Baileyton	Greene	37745	423-646-8400
	Dr. Robert	Ferretti	M.D.	Mosheim Recovery Associates 65 Payne Road	Mosheim	Greene	37818	865-633-0353
	Dr. Jami	Goodwin	M.D.	1021 Coolidge Street, Suite 2	Greeneville	Greene	37743	423-636-2300
	Howard	Herrell		1021 Coolidge Street, Suite 2	Greeneville	Greene	37743	423-636-2300
	Dr. George	Kehler		65 Payne Road	Mosheim	Greene	37818	423-422-2126
	Amber	Mullins		1021 Coolidge Street, Suite 2	Greeneville	Greene	37743	423-636-2300
	Dr. John	Shaw		Recovery Associates of E.TN 65 Payne Road	Mosheim	Greene	37818	423-422-2126
	Dr. Elliott	Smith		1406 Tusculum Blvd, Suite 2003	Greeneville	Greene	37745	423-636-0050
	Dr. Gregory	Vines		65 Payne Road	Mosheim	Greene	37818	423-422-2126
	Dr. Tony	Yost	M.D.	65 Payne Road	Mosheim	Greene	37818	423-422-2126
Hamblen								
	Dr. Kevin	Catney	M.D.	East Tennessee Pathways 4845 West Andrew Johnson Highway	Morristown	Hamblen	37919	865-320-8019
	Dr. Michael	Chavin	M.D.	1639 West Morris Boulevard	Morristown	Hamblen	37814	423-586-0341
	Dr. John	Erpenbach	M.D.	P.O. Box 1033	Morristown	Hamblen	37816	865-932-3634
	Dr. Paul	Jett	M.D.	420 West Morris Blvd, Suite 130	Morristown	Hamblen	37813	423-586-9796
	Dr. Scott	Matson	D.O.	401 McFarland St.	Morristown	Hamblen	37814	423-587-8786
	Dr. Donald	Sleeter		1369 West Andrew Johnson Highway	Morristown	Hamblen	37814	423-586-3249
	Dr. Devon	Smith	M.D.	1621 West Morris Boulevard Suite A	Morristown	Hamblen	37813	423-307-8088

County	First	Last	Deg.	Address	City	County	Zip	Phone #
<u>Hawkins</u>								
	Dr. Charles	Backus	III	Emmaus Medical and Counseling 273 Hwy 11-E	Bulls Gap	Hawkins	37711	423-393-4146
	Dr. Jose	Garrido	M.D.	273 Highway 11E Suite A	Bulls Gap	Hawkins	37711	423-393-4146
Jefferson								
	Dr. Stephen	Gantte	M.D.	127 West Meeting Street PO Box 1101	Dandridge	Jefferson	37725	865-803-1348
	Dr. Deanna	Taylor- Gantte		PO Box 1101	Dandridge	Jefferson	37725	865-803-1348
<u>Sevier</u>								
	Dr. Craig	Benson	D.O.	322 Oakwood Dr.	Sevierville	Sevier	37876	865-582-1187
	Dr. Robert	Coleman		3651 Winfield Dunn Parkway	Kodak	Sevier	37764	865-465-7088
	Dr. Robert	Lutz	M.D.	New Hope Medical Wellness Services 1260 FoxMeadows Blvd, Suite 1	Sevierville	Sevier	37862	865-366-1623
	Dr. Jennifer	Maddron	M.D.	627 Middle Creek Road	Sevierville	Sevier	37862	865-365-4233
	Dr. Robert	Maughon	M.D <sub>e</sub>	190 Community Center Drive Suite 102	Pigeon Forge	Sevier	37863	865-446-4035
	Dr. Brooks	Morelock		3651 Winfield Dunn Parkway	Kodak	Sevier	37764	865-465-7088
	Dr. Randall	Pitone	M.D.	Mountain Home VA Medical Center 1124 Blanton Drive	Sevierville	Sevier	37862	865-286-6750
	Dr. Donald	Weckesser	M.D.	3651 Winfield Dunn Parkway	Kodak	Sevier	37764	865-908-2838

# Attachment C, Need Map of Service Area by County

County Level Map

Proposed Service Area



# Attachment B, Economic Feasibility-A5 Architect Letter



### Goodwyn Mills Cawood

3310 West End Avenue Suite 420 Nashville, TN 37203

T (615) 333-7200 F (615) 333-0529

www.gmcnetwork.com

July 12, 2018

Melanie Hill, Executive Director State of Tennessee Health Services and Development Agency 500 Deaderick Street Nashville, TN 37242

RE: New Hope Treatment Center

Dear Ms. Hill:

Construction of the facility will include the build out of approximately 2880 s.f. of space and shall include 8 counseling offices, a group workroom, nurse station, waiting room, restroom and supporting administrative space. When complete the physical environment will conform to applicable federal standards and licensing agency requirements for this type of facility.

In my professional opinion the probable cost of construction for this project to meet applicable federal, state and local building codes and standards will be in the range of \$220,000 to \$270,000.

If you have any questions, I may be reached via email at <u>sara.butler@gmcnetwork.com</u> or by phone at 615-333-7200.

Sincerely,

Sara K. Butler, AIA, PMP, Leed GA Vice President, Architecture

TN Lic. No 100804

# Attachment B, Economic Feasibility, B-6 Funding Documentation



218 Adley Way, Greenville, SC 29607 | 864.631.2455 | www.higginsandbailleywealthmanagement.com

Tuesday, July 10, 2018

To Whom It May Concern,

This letter is to confirm that Dr. Richard Sherman has the following assets at our firm: \$932,285 IRA Accounts
\$159,039 Non-qualified Accounts

Please let me know if you need anything else.

Regards,

David Higgins



Health Services and Development Agency Andrew Jackson Building, 9<sup>th</sup> Floor 502 Deaderick Street Nashville, Tn 37243

New Hope Treatment Center of Tennessee, LLC 135 Fox and Hound Way Newport, TN 37821

Re: Certificate of Need Application

To Melanie Hill,

As the financial advisor to Dr. Stephen Loyd, I can confirm that he has at least \$250,000.00 in accounts that are earmarked for utilization as the source of payment for his projected cost (construction, equipment, furnishings, etc.) and other startup costs. This is all regarding his proposed project in Newport, Tennessee.

Sincerely,

Hanes Torbett

Torbett Insurance & Financial Services

503 Princeton Rd, Ste 102

Johnson City, Tn 37601



July 6<sup>th</sup>, 2018

Black Harbor Wealth Management 325 Main Street Seneca, SC 29678 Office Phone: (864) 882-9859

To Whom It May Concern:

Office Fax: (864) 396-3758

It has come to our attention that you were needing assurance of liquid assets for our client, Pam Whitmire. Ms. Whitmire has assets totaling \$141,692.00 that she could liquidate, if she chooses.

If you have any questions, or need anything further from us, please contact us with the information provided above.

- John Christopher Dixon, MBA, RFC

& Christopher Dixon.

Office Phone: (864) 882-9859 325 Main Street, Seneca, SC 29678 www.BlackHarborWM.com

# Attachment B, Economic Feasibility-E3 Clinic Fee Comparison Chart

# 2017 Clinic Fee Comparison

							THE RESERVE	OH RESILE	THE RESERVE OF THE PERSON	Unio Marchines	
Clinic Name	Southwest Carolina Treatment Center, LLC 864-222-9798 Anderson,SC	Western Carolina Treatment Center, Inc 828-251-1478 Asheville, NC	Paimetto Carolina Treatment Center, LLC 864-433-8443 Duncan, SC	Mountain Area Recovery Center 828-454-0560 Clyde, NC	Mountain Area Recovery Center 828-252-8748 Asheville, NC	Crossroads Treatment Center 828-645-3687 Weaverville, NC	Pittard Clinic 706 886-4420 Toccoa, GA	Columbia Metro Treatment Center 803-791-9422 Columbia, SC	DRD Knoxville 865-522-0661 Knoxville	Overmountain Recovery 423- 467-2800 Johnson City	New Hope Newport
Intake Fee	walved	waived	waived	\$ 60.00	\$130	waived	walved	walved	\$60 (pay \$178 the first day to cover first week)	\$139 (pay \$155 the first day)	No Intake fee
Hours	Mon-Fri SAM- 12PM Sat 6:30AM- 9:30AM	Mon-Fri 5AM- 11AM & 5PM- 7PM Sat 6AM-9AM 10AM-11AM	Mon-Fri 5AM- 11AM Sat 6AM-9AM	Mon-Sun 8AM- 12PM	Mon-Sun 8AM- 12PM	Mon-Fri 5-10AM, 3 6PM, Sat 6-9AM, Sun 8-9AM	Mon-Fri 5:30AM- 1:30PM, Sat 6- 8:30AM	Mon-Frl 5AM- 1:30PM, Sat 6- 8:30AM, Sun 6- 7AM	Mon-Fri 5:30AM 2:30PM, Sat & Sun 5:30- 9:30AM	Mon-Fri 6AM- 3PM, Sat & Sun 6-9:30AM	Mon- Fri 5-11AM Sat & Sun 6 -9AM
Intake Days			Monday Wednesday Thursday		Mon,Tues, Frl	Mon, Wed, Thurs 4:30 AM			Mon-Frl 5:30- 10:30AM and also walk-ins	Walk-in Tues and Fri	
Methadone Costs	\$12/day	\$13/day	\$14/day	\$10-\$15/day	\$75/weekly	First 30 days is \$1/day then \$14/day	\$12.50/day	\$16/day	\$178 1st week, and afterwards \$118/wk (there are no dally rates)	\$155 1st week, and afterwards \$100.80/wk or \$16/day	\$15/day \$95/week
Offer Suboxone?	\$13-\$34/day	\$15-\$25/day	\$16-\$28/day	\$126/wk and no prescription	\$210/month with weekly precription	\$250 first day & includes prescription.	\$17/day and Doctor will offer prescription if that's what pt prefers and he approves it,	\$26/day and there is no prescription given	yes Suboxone pays \$82 Intake then \$17-\$22 dally	No	yes, no Intake then \$17-\$26 daily-once eligible for Data 2000 then it's \$280/month
Discounts	Methadone Weekly \$77 Monthly \$310	Methadone Weekly \$82 Monthly \$310	Methadone Weekly \$83 Monthly \$300	no	no	no	Phase 6 in levels offers slight discount	no	no	a weekly discount	
Other info	Guest Dosing set- up fee \$ 25 then \$15/day Accepts Data 2000 Patients	Extra Drug Screen \$12 Oral Drug Screen \$5 Guest Dosing \$15/day	Extra Drug Screen \$12 Oral Drug Screen \$5 Guest Dosing \$15/day	2nd visit is with the doctor	Accepts medicald	After 2 wks on suboxone, then pay \$125/wk, \$250/2 wks, 1mo \$350	Followup drug screens \$15, Swab \$15	2 or 8 mg suboxone pts can take their doses home.			

# Attachment C, Contribution to the Orderly Development Of Health Care

**Proof of Publication** 

# THE NEWPORT PLAIN TALK

145 East Broadway • Newport, TN 37821

Phone: 423-623-6171

# **PROOF OF PUBLICATION**

# STATE OF TENNESSEE COUNTY OF COCKE

**PERSONALLY** appeared before me, Sandy Freshour of Cocke County, Tennessee, who being duly Sworn, made oath that she is a Representative of the Publisher of THE NEWPORT PLAIN TALK, a newspaper of general circulation, published in the City of Newport, County of Cocke and State of Tennessee and that the hereto attached publication appeared in the same on the following:

Dates: July 10, 2018	Legal Information:
Acct.# / 9/1/6 8	Total Cost: 259.30
* *	Sordy Inwhour REPRESENTATIVE
Subscribed and Sworn to before me on this	Claudini & Harris NOTARY PUBLIC
The reference of Matheman of notice has also been not	MY COMMISSION EXPIRES October 20, 2021

it shall be published contemporaneously with the notice's first print publication and will remain on the website for at least as long as the notice appears in the newspaper; and (2) On a statewide website (tnpublicnotice.com) established and maintained

as an initiative and service of the Tennessee Press Association as a repository for such notices.

#### **AFFIDAVIT**

STATE OF ENNESSEE

Kim H. Looney \_\_\_\_\_, being first duly sworn, says that he/she is the Applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, et seq., and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

SIGNATURE/TITLE

Sworn to and subscribed before me this 13th day of July, 2018 a Notary Public in and for the County/State of Tennessee.

NOTARY PUBLIC

My commission expires, January 8, 2019.





## State of Tennessee Health Services and Development Agency

Andrew Jackson, 9<sup>th</sup> Floor, 502 Deaderick Street, Nashville, TN 37243 **www.tn.gov/hsda** Phone: 615-741-2364 Fax: 615-741-9884

August 1, 2018

Kim Harvey Looney, Esq. Waller Lansden Dortch & Davis, LLP 511 Union Street, Suite 2700 Nashville, TN 37219

RE: Certificate of Need Application – New Hope Treatment Center- CN1807-034

The establishment of a non-residential based treatment center for opiate addiction to be located at 135 Fox and Hound Way, Newport (Cocke County), TN. New Hope Treatment Center of Tennessee, LLC consists of the following owners and membership interests: Dr. Richard Sherman-35%; Dr. Stephen Loyd-35%; Pam Whitmore-10%; Yoni Mizhari-10%; Joy Bailley-5%; and Amy Shroyer-5%. The estimated project cost is \$554,000.

Dear Ms. Looney:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need. Please be advised that your application is now considered to be complete by this office.

Your application is being forwarded to Laura Young at the Tennessee Department of Mental Health and Substance Abuse Services for Certificate of Need review by the Division of Hospital Services. You may be contacted by Ms. Young or someone from her office for additional clarification while the application is under review by the Department. Ms. Young's contact information is <a href="mailto:Laura.Young@tn.gov">Laura.Young@tn.gov</a> or 615-741-7694.

In accordance with Tennessee Code Annotated, §68-11-1607, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project began on August 1, 2018. The first 60 days of the cycle are assigned to the Department of Mental Health and Substance Abuse Services, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the 60-day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review. You will receive a copy of their findings. The Health Services and Development Agency will review your application on October 24, 2018.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,

cc:

Melanie M. Hill Executive Director

Laura Young, DNP APN, FPMHNP-BC

Melanikul



## State of Tennessee Health Services and Development Agency

Andrew Jackson, 9<sup>th</sup> Floor, 502 Deaderick Street, Nashville, TN 37243 **www.tn.gov/hsda** Phone: 615-741-2364 Fax: 615-741-9884

#### **MEMORANDUM**

TO:

Laura Young, Chief Nursing Officer

Division of Hospital Services

TN Department of Mental Health and Substance Abuse Services

Andrew Jackson Building, 6th Floor

500 Deaderick Street

Nashville, Tennessee 37243

FROM:

Melanie M. Hill

**Executive Director** 

DATE:

August 1, 2018

RE:

Certificate of Need Application

New Hope Treatment Center- CN1807-034

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on August 1, 2018 and end on October 1, 2018.

Should there be any questions regarding this application or the review cycle, please contact this office.

#### Enclosure

cc:

Kim Harvey Looney





## **State of Tennessee Health Services and Development Agency**

Andrew Jackson Building, 9<sup>th</sup> Floor 502 Deaderick Street Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

LETTER OF IN	TENT
The Publication of Intent is to be published in the Newpor	rt Plain Talk which is a newspaper
	(Name of Newspaper see, on or before July 10 , 20 18
for one day.	(Month/Day) (Year)
This is to provide official notice to the Health Services and in accordance with T.C.A. § 68-11-1601 <i>et seq.</i> , and the Agency, that:	
New Hope Treatment Center	N/A
(Name of Applicant)	(Facility Type-Existing)
New Hope Treatment Center of owned by: Tennessee, LLC with an	ownership type oflimited liability company
and to be managed by: <u>itself</u> intends	to file an application for a Certificate of Need
	non-residential methadone/substitution-based
treatment center at 135 Fox and Hound Way, Newport, Cocke (	County, Tennessee 37821. The anticipated project
Costs are approximately \$554,000.	
The anticipated date of filing the application is:	July 13 , 20 18
The contact person for this project is Kim Harvey Loon (Contact	
who may be reached at: Waller Lansden Dortch & Davis (Company Name)	LLP 511 Union Street, Suite 2700 (Address)
	,
Nashville TN 372:	
Fin H. Joone July 10, 2018	Kim.Looney@wallerlaw.com
(Signature) (Date)	(Email-Address)

The Letter of Intent must be <u>filed in triplicate</u> and <u>received between the first and the tenth</u> day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency Andrew Jackson Building, 9<sup>th</sup> Floor 502 Deaderick Street Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

# Supplemental #1 (Original)

New Hope
Treatment Center

CN1807-034





Waller Lansden Dortch & DayJuly 26, 511 Union Street, Suite 2700 P.O. Box 198966 Nashville, TN 37219-8966

Kim Harvey Looney 615.850.8722 direct kim looney@wallerlaw.com

July 26, 2018

Phillip M. Earhart Health Services Development Examiner Health Services and Development Agency Andrew Jackson Building 502 Deaderick Street 9th Floor Nashville, TN 37243

> RE: Certificate of Need Application CN1807-034

> > New Hope Treatment Center

#### Dear Phillip:

This letter is submitted as the supplemental response to your letter dated July 18, 2019, wherein additional information or clarification was requested regarding the above-referenced CON application.

#### 1. Section A, Executive Summary, 3. Overview, (1), Description, Page 2

Please list the proposed business days and hours of operation for the proposed nonresidential methadone treatment facility (NRMTF).

The applicant anticipates that the facility will be open for treatment on Monday-Friday from 5 am to 11 am and on Saturday and Sunday from 6 am to 9 am.

Please identify the number of buprenorphine patients a certified physician may currently treat under the Drug Addiction Treatment Act of 2000 (DATA 2000).

Response: Initially, a new provider may treat up to 30 patients under their DATA 2000 waiver. After one year, a provider may request an increase to treat up to 100 patients. After a provider has prescribed buprenorphine to 100 patients for at least 1 year, they may request an increase in their waiver to 275 patients. Practitioners are eligible to obtain the waiver if they have additional credentialing in addiction medicine or addiction psychiatry from a specialty board and/or professional society, or practice in a qualified described the rule in http://www.hhs.gov/about/news/2016/07/06/hhs-announces-new-actionscombat-opioid-epidemic.html.

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The percentage of the 7 county proposed service area 2018 population enrolled in TennCare is 23.93%. What incentive does a TennCare patient have to come to the proposed clinic to receive methadone when their medications (30 day supply) and transportation services may be paid by TennCare?

Response: As you have correctly pointed out, TennCare does not currently provide reimbursement for methadone maintenance treatment for opioid dependence. TennCare only covers generic buprenorphine, Subutex and Suboxone for opiate addiction. As such, if the TennCare patient's goal is to receive treatment that is covered by TennCare, this treatment may not be their best option.

As stated in the original application, there are three drugs approved by the FDA for the treatment of opioid dependence: methadone, buprenorphine, and naltrexone. All three of these treatments have been demonstrated to be safe and effective in combination with counseling and psychosocial support. Everyone who seeks treatment for an OUD should be offered access to all three options as this allows providers to work with patients to select the treatment best suited for an individual's needs. https://www.fda.gov/DrugS/DrugSafety/InformationbyDrugClass/ucm600092.htm.

The proposed facility would offer structure and accountability that are not offered with buprenorphine treatment that is covered by TennCare. Additionally, in the treatment of some patients, methadone is more clinically indicated than buprenorphine. The intention of this project is not to meet a need for buprenorphine treatment, but to meet the unmet need of a methadone substitution option. Several options exist for treatment of addiction problems and methadone is one of them which is not currently available in the service area.

It is noted there are private providers who prescribes buprenorphine who are located in the proposed service area? However, please clarify if those providers are in-network or a patient is required to pay cash for office visits? If so, what are the average amount required for cash visits?

Response: The applicant is unable to provide this data as it is not publicly available. In addition, the physicians listed by SAMSHA may not be accepting new patients, or even currently seeing patients (The applicant attempted to contact some of the providers and was told by some that they were no longer treating opioid addicted patients.). There are no public registry reporting requirements for buprenorphine providers in Tennessee that confirms capacity and reflects current caseloads, access, payment, and any applicable waiting lists.

Please explain how naltrexone is used in the treatment setting.

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> Response: Naltrexone is one of three drugs that has been approved by the FDA for the treatment of opioid dependence. Naltrexone can be taken as a pill or as a long-acting shot. Naltrexone reduces cravings and blocks effects of the drug of abuse. Extended-release injectable naltrexone is approved for treatment of people with opioid use disorder. It can be prescribed by any healthcare provider who is licensed to prescribe medications, special training is not required. It is important that medical managed withdrawal (detoxification) from opioids be completed at least 7 to 10 days before extended-release injectable naltrexone is initiated or resumed. Research has shown that naltrexone decreases reactivity to drug-conditioned cues and decreases craving. Patients who have been treated with extendedrelease injectable naltrexone may have reduced tolerance to opioids and may be unaware of their potential sensitivity to the same, or lower, doses of opioids that they used to take. Extended-release naltrexone should be part of a comprehensive management program that includes psychosocial support. When naltrexone treatment is completed, there is no withdrawal syndrome that accompanies the discontinuation of the medication.

> Methadone, buprenorphine, and naltrexone have all been demonstrated to be safe and effective in combination with counseling and psychosocial support for the treatment of opioid dependence. Each of the three has its benefits as well as its drawbacks. Everyone who seeks treatment for an OUD should be offered access to all three options as this allows providers to work with patients to select the treatment best suited for an individual's needs. https://www.fda.gov/DrugS/DrugSafety/InformationbyDrugClass/ucm600092.htm.

#### 2. Section A, Executive Summary, 3.B. Rationale for Approval, Page 4

Please provide 5 brief reasons why an NRMTF is specifically needed in the proposed service area.

#### **Response:**

- 1. Opioid Crisis and Epidemic both in U.S. and Tennessee: In late 2017, the Acting Health and Human Services (HHS) Secretary Eric D. Hargan declared a public health emergency to address the national opioid crisis. In Tennessee, the consequences of prescription drug abuse are alarming. These include an increase in ED visits for prescription drug poisoning; an increase in overdose deaths; an increase in drug related crimes against property, people and society; decreased work productivity; more children in state custody as a result of a parent's drug use; and a ten-fold rise in the incidence of babies born with Neonatal Abstinence Syndrome.
- 2. Addiction Issue of Increased Significance in East Tennessee: The applicant estimates there are currently 4,400 people in the service area who struggle with addiction to heroin, morphine and prescription opioids. As

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shown by the following statistics, this is an issue of increased significance in East Tennessee in particular.

- The United States is #1; residents consume twice as many opioids per capita than the next closest nation
- Tennessee is #2 in the USA; only behind Alabama by a tenth of a point; West Virginia is a distant 3<sup>rd</sup>
- East Tennessee is #1 in Tennessee
- 3. Methadone Approved by FDA for Treatment of Opioid Dependence: The FDA has approved three drugs for the treatment of opioid dependence: methadone, buprenorphine, and naltrexone. All three of these treatments have been demonstrated to be safe and effective in combination with counseling and psychosocial support.
- 4. No Existing Non-Residential Methadone Treatment: Everyone who seeks treatment for an OUD should be offered access to all three options as this allows providers to work with patients to select the treatment best suited for an individual's needs. The applicant's service area has been identified as underserved for MAT treatment options. There are no existing non-residential OTP clinics in the proposed 7 county service area. It will not be possible to stem the flow of the epidemic of opioid addiction until there are sufficient treatment options available.
- 5. Existing Travel Distances Impede Treatment: Patients who reside in the service area must drive anywhere from 30 to 90 miles each way to obtain OTP treatment. The addition of this facility would decrease drive times from 18 to 50 miles each way. Given the prevalence of addiction in the service area, it is clear that some patients are choosing not to receive treatment at comparable facilities and this is more than likely due in part to the driving distances and lack of convenient treatment options. The closer the facility is to the patients, the better able they are to receive the necessary treatment and be gainfully employed so that they can be fully functioning members of society.
- 3. Section A, Applicant Profile, Item 4.A, Ownership, Page 10

Please clarify if the applicant is New Hope Treatment Center of Tennessee, LLC dba New Hope Treatment Center.

Response: Yes, as stated in the application the applicant is New Hope Treatment Center, which is the dba for New Hope Treatment Center of Tennessee, LLC.

The address of the owner of the facility is noted. However, please submit a replacement page that lists the street as "135 Fox and Hound Way".

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Response: Attached please find replacement page 10 included as Attachment Section A, Applicant Profile, Item 4.A adding "Way" to the address so that instead of the street being listed as 135 Fox and Hound, it now is listed as 135 Fox and Hound Way.

Please document the financial interest of the applicant, and the applicant's company/owner(s) in all existing non-residential substitution-based treatment centers for opiate addiction. At a minimum, please provide the name, address, current status of license/certification, and percentage of ownership structure for each non-residential substitution-based treatment center for opiate addiction identified.

Response: Please see the list included below. Of the owners of the applicant, only Richard Sherman, DO has any ownership interest in other treatment centers:

Western Carolina Treatment Center, INC 573 Merrimon Ave Asheville, NC 28804 Licensed CSAT (Certified Substance Abuse Treatment) OTP # NC-10034-M Owner: RICHARD SHERMAN, DO 70%

Southwest Carolina Treatment Center, LLC 341 W. Beltline Blvd Anderson SC 29625 Licensed CSAT OTP# SC-10018-M Owner: RICHARD SHERMAN, DO 48%

Palmetto Carolina Treatment Center, LLC 325 Inglesby Parkway Duncan, SC 29334 Licensed CSAT OTP# SC-10033-M Owner: RICHARD SHERMAN, DO 50%

The New Hope Treatment Center Ownership is noted. Please clarify if any of the owners of the applicant has existing or future plans whether finalized or in discussion, to sell or transfer ownership of New Hope Treatment Center to a third party.

Response: No.

What type of activities/meetings has your organization conducted to prepare and educate the public in the service area regarding this proposed application?

Response: The applicant anticipates educating the public after the application is deemed complete. It is the applicant's intention to reach out to community leaders, neighbors, and providers regarding Medication Assisted Treatment and specifically its program. It hopes to effectively convey its vision and goals while also allowing time to address the concerns

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of the community. The applicant plans to connect with healthcare providers, other treatment facilities (for both behavioral health & substance use disorders), as well other community agencies in an effort to establish collaborative relationships, including the county Anti-Drug Coalitions. The applicant anticipates integrating into the medical community and serving a well identified need for this treatment option in the service area. The applicant plans to obtain letters of support and submit them prior to the HSDA hearing.

Please discuss what the applicant will do to identify patients who may be candidates for eventually being opiate free. In addition, what steps will the applicant take with those patients to assist them in becoming opiate free?

Response: When patients present for treatment, the applicant will tailor treatment plans to meet the needs of each patient, with the understanding that every patient can potentially be opioid free. This is not necessarily possible for every patient. Some patients will require some type of MAT throughout their lifetime. Factors influencing whether or not a patient will be successful in being opioid free include whether or not they have cooccurring disorders, their length of time on opioids, etc. Also important is assessing the patient's desire/willingness to consider titration/opioid free lifestyle throughout treatment. Part of the purpose of the counseling sessions is gauging a patient's long term goals and getting them to consider abstinence based recovery. When the patient states their goal for abstinence, the applicant will work with them individually and/or in group settings, introducing them to the need for support networks, recognition of triggers and relapse prevention, coping mechanisms and skills. applicant will offer patients individual and group counseling that focuses on the necessary components of a drug-free lifestyle, such as a support network and accountability partners.

Please identify the typical patient length of stay in a methadone treatment program. What type of follow-up does the applicant conduct in tracking patients who leave the program before achieving an opiate-free life?

Response: As stated in the application, the typical patient length of stay is from 6 - 12 months. The applicant will conduct post-discharge follow up with patients who leave treatment, either via planned or unplanned discharge. The applicant will call patients at identified points post-discharge who, if reached, will be asked a series of questions regarding their experience since leaving treatment. The applicant will inquire into the circumstances that led to the patient's discharge, the patient's employment status, whether the patient has relapsed on opioids, whether the patient is receiving any type of substance abuse treatment, whether the services the patient received in treatment were helpful and met their needs, and whether the patient has encountered any legal complications since leaving

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treatment. As part of this process, the applicant tries to identify what it can do to assist the patient during this time period.

#### 4. Section A, Applicant Profile, Item 4.B, Type of Ownership, Page 10

Please provide bio's outlining areas of expertise and experience of the members of New Hope Treatment Center to operate this facility/service.

Response: In addition to their qualifications as described in the application, please see brief bios for Dr. Richard Sherman, Dr. Stephen Loyd, Dr. Pamela Whitmire, Joy Bailley and Amy Shroyer, included as <u>Attachment</u>, <u>Section A, Applicant Profile, Item 4.B.</u> Yona Mizrahi will not be involved in the operation of the proposed facility.

#### 5. Section A, Applicant Profile, Item 6.A, Legal Interest In Site, Page 11

The commercial lease to purchase agreement is noted. However, the closing date of the agreement is October 12, 2018 prior to the October 22, 2018 Agency meeting. Please clarify.

Response: Please see amendment to commercial lease to purchase included as <u>Attachment Section A</u>, <u>Applicant Profile</u>, <u>Item 6.A</u>, which shows that New Outlook, LLC is now the holder of the lease to purchase. The closing date was extended to November 26, 2018. New Outlook, LLC has been registered to do business in Tennessee as New Outlook of South Carolina, LLC, as the New Outlook name was too similar to another entity operating in Tennessee.

The Option to Lease agreement is noted. However, New Outlook, LLC will be the landlord and the applicant New Hope Treatment Center of Tennessee, LLC will be the tenant. Please clarify the relationship of New Outlook, LLC to the applicant and provide a document that assigns the property to New Outlook, LLC from the applicant New Hope Treatment Center of Tennessee, LLC.

Response: Please see response above regarding an amendment to the lease to purchase. Richard Sherman, DO is the 100% owner of New Outlook, LLC, and he is also one of the owners of the applicant.

On page 42, the applicant states that a holding company having common ownership with the applicant will purchase the building. Furthermore, the applicant indicates it has not been decided which of the current owners of the applicant will form an entity to purchase the building. The applicant plans on leasing the building from this holding company at a rate of approximately \$2,300 per month. Please provide the purchase and lease agreement.

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Response: The Commercial Lease to Purchase Agreement is executed by New Outlook, LLC. The Option to Lease is between New Outlook, LLC and the applicant.

Please provide documentation from the Secretary of State that New Outlook, LLC is a registered entity authorized to transact business in the State of Tennessee.

Response: Please see <u>Attachment Section A</u>, <u>Applicant Profile</u>, <u>Item 6.A</u> showing that New Outlook, LLC has been registered to do business in the State of Tennessee as New Outlook of South Carolina, LLC.

Please list the ownership of New Outlook, LLC.

Response: Richard Sherman, DO owns 100% of New Outlook, LLC, and thus New Outlook of South Carolina, LLC, as it is registered to do business in Tennessee.

6. Section A, Applicant Profile, Item 6.B.1, Plot Plan, 6B.2 Floor Plan, and 6B.3 Public Transportation, Page 11

Please provide a plot plan on one sheet of  $8 \frac{1}{2}$  sheet of paper that includes all the required elements listed in the application.

Response: Please see attached a plot plan with everything on one sheet of paper, included as <u>Attachment Section A</u>, <u>Applicant Profile</u>, <u>Item 6B.1</u>.

Please document that the location of the proposed project is in compliance with local zoning ordinances and that the building will meet all applicable local, state, and federal requirements for the proposed location's use as a nonresidential substitution-based treatment center for opiate addiction.

Response: It is the applicant's understanding that the site is in compliance with all local zoning ordinances for the purpose proposed. In addition, the building will meet all applicable local, state, and federal requirements for the proposed location's use as a nonresidential substitution-based treatment center for opiate addiction. Please see <u>Attachment Section A</u>, <u>Applicant Profile</u>, 6.B.1. for letter from the architect.

Please indicate the number of available patient parking spaces for the proposed project.

Response: There are 23 marked parking spaces on the property. However, the potential exists to add parking spaces if needed. The entity from which the site is being purchased owns and operates the restaurant that is adjacent to the proposed site.

Please describe the immediate area that surrounds the proposed project's location.

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Response: The area immediately surrounding the proposed project's location is primarily undeveloped. The closest property across the parking lot is the Fox and Hound restaurant. The next closest area is primarily commercial. There is very limited residential area in close proximity to the proposed site.

What is the seating capacity of the waiting room?

Response: The applicant anticipates that the seating capacity will be 20-25 spaces in the waiting room.

Please clarify if the walls surrounding the pharmacy/safe will be reinforced.

Response: The pharmacy will be located on the outside wall but the only entrance into the pharmacy will be inside. There are no outside doors or windows that are in the pharmacy.

How many dosing stations will occupy the site?

Response: The facility plans to have two dosing stations, but only one will be open initially. As treatment numbers grow, the second one will be opened to meet the demand.

What is a telecom closet?

Response: The telecom closet will house telecommunications and communications equipment such as the phone and security system.

The lease is for 5,600 SF. The floor plan totals 2,880 SF. Is the remaining SF in a lower level? If so, what will it be used for?

Response: The remaining square footage is in a basement level and will not be used as anything other than storage and/or empty space initially. It will not be accessible to anyone other than a few staff people and it will be kept secured to ensure there is no inadvertent access.

Please clarify if there will be staff restrooms.

Response: When the facility is initially opened, there will be no staff restrooms. There will be 2 restrooms that are unisex. After the facility begins to expand and treat additional patients to the point that it needs to open the planned second dosing station, the applicant anticipates that it will be necessary to add a staff restroom at that point.

Please clarify if there will be an outside terrace or a smoking area.

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Response: As this is a health care facility, the applicant will discourage employees and others from smoking and the facility itself will be smokefree. The applicant does not plan to offer a smoking area for patients and/or the public. The Applicant will enforce a "No Loitering" policy on site. Patients are expected to leave the premises upon receiving treatment services unless they have specific treatment related business.

Please label dosing stations and submit a revised floor plan.

Response: Please see attached a revised floor plan with the dosing stations labelled, included as <u>Attachment Section A</u>, <u>Applicant Profile</u>, <u>Item 6B.2</u> Floor Plan.

Please clarify if the applicant can expand if needed at the proposed site.

Response: The applicant will have space for two dosing stations, but will only utilize one until such time as the second is needed. Therefore, the applicant has anticipated and planned for expansion.

What type of security will be available on-site?

Response: As the safety and security of staff, patients and the community are of the utmost importance to the applicant, the facility will feature a full security system with motion detectors, door alarms and panic buttons at both the administrative assistant desk and in the pharmacy. Security cameras will also record the interior of the facility, including the pharmacy, safes and dosing windows and all parking areas. The cameras are available to be viewed on cell phone or remotely via computer or tablet. They will also be monitored by the Administrative Assistant, Program Director and other individuals as identified. The Drug Enforcement Agency will also conduct regular inspections to ensure fully functioning operations. The Applicant will also contract with a security agency for the provision of security services to further ensure the safety of patients, staff and the community. The Applicant will also enforce a "No Loitering" policy on site. Patients are expected to leave the premises upon receiving treatment services unless they have specific treatment related business.

It is noted ETHRA transportation serves Eastern Tennessee. However, the letter from ETHRA dated June 26, 2018 in the attachment indicates transportation is provided to 4 of the 7 counties in the proposed 7 county service area. How will the remaining 3 Counties be covered?

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Response: ETHRA offers public transportation that can be scheduled. The applicant was identifying public transportation that is available. This is the only public transportation available in the service area, and as has been pointed out, it does not cover all counties in the applicant's service area. Generally, people travel by car to receive treatment. The applicant would anticipate that the overwhelming majority of its patients would travel by car.

Does ETHRA provide transportation services for early dosing hours and does the driver wait during the dosing to provide transport back home?

Response: Just as in any other form of public transportation, ETHRA does not wait for the patients to be finished; it has scheduled drop-off and pick-up times for those patients who would choose to use it.

Has there been any discussions with ETHRA concerning the possibility of transporting NRMTF patients?

Response: As evidenced by the letter received by ETHRA and included in the original application, the applicant has discussed transport for its patients with ETHRA.

7. Section A, Project Details, Item 12, Square Footage and Cost Per Square Footage Chart, Page 15

Please complete the Square Footage and Cost Per Square Footage Chart and submit a replacement page 15 (labeled as 15R).

Response: Based on square footage of 2,880 square feet and renovation costs of \$220,000, the cost per square foot is \$76.39. Included as Attachment Section A, Project Details, Item 12 is replacement page 15. Please note that the revised square footage chart does not include a quartile range as the HSDA does not report data for similar facilities. The project cost per square foot is less than the first quartile of costs for renovated hospital construction and less than the third quartile for renovated nursing home construction, which are the only renovated construction numbers reported on the website.

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#### 8. Section B, Need, Item 1. (NRMTF, Need, #1), Page 18

Please contact the General Counsel for the Tennessee Department of Mental Health and Substance Abuse Services and officially request the aggregate number by county of persons addicted to heroin or other opioid drugs presently under treatment in methadone and other substitution-based treatment programs.

Response: The applicant requested this information, and the response received indicated that, "TDMHSAS does not have readily available records or data related to the aggregate number by county of persons addicted to heroin or other opioid drugs presently under treatment in methadone or other substitution based treatment programs. Specifically, TDMHSAS does not track patient numbers for other substitution-based treatment programs. . . . TDMHSAS has however provided the data we do have available as related to patient county of residence for each of these three [Tennessee located] facilities as of July 7/17/2018." Such data is located in the table in response to supplemental question 14.

#### 9. Section B, Need, Item 1. (NRMTF, Need, #1, #6 Existing Capacity), Page 22

It is noted the applicant refers to Attachment B, Need-OTPs and Buprenorphine Providers. However, the attachment is labeled as Attachment C, Need-OTP and Buprenorphine Providers. Please provide a corrected attachment cover sheet.

Response: Please see the corrected attachment cover sheet included with these supplemental responses.

How many of the listed buprenorphine providers are contracted with TennCare Managed Care Organizations?

Response: The applicant is unable to provide this data as it is not publicly available. The applicant has contacted a number of the providers to determine whether or not they are contracted with TennCare Managed Care For the most part, it would appear that they are not Organizations. contracted with any payers, with the sole exception of Women's Center of Greeneville. This group provides OB services, so treats pregnant women who are addicted to opioids. If these providers are not receiving payment from any payers, then the applicant is left to assume that payment for buprenorphine services is generally cash only. The physicians listed by SAMSHA may not be accepting new patients, or even currently seeing patients. To the best of the applicant's knowledge, there are no public registry reporting requirements for buprenorphine providers in Tennessee that confirm TennCare enrollment or capacity and reflect current caseloads, access, payment, and any applicable waiting lists. It is important to note that Methadone Maintenance Treatment (MMT) is not a TennCare covered service for adults over the age of 21. MMT is a covered service for enrollees

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between 18 and 20 years of age. MMT does not compete with buprenorphine as a treatment option, but is a different treatment option that is also acceptable.

10. Section B, Need, Item 1. (NRMTF, Relationship to Existing Applicable Plans), Pages 24 and 25

The applicant cites the Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS) report *Prescription for Success: Statewide Strategies to Prevent and Treat the Prescription Drug Abuse Epidemic in Tennessee.* Specifically, how are NRMTF facilities that administers methadone specifically referenced in the report as part of a statewide plan?

Response: NRMTF facilities are mentioned as a type of Medication Assisted Therapy (MAT) in this report. MAT is listed on page 6 under the Summaru of Current Efforts to Combat the Prescription Drug Epidemic in Tennessee under the options for treatment under the Mental Health and Substance Abuse Services. MAT is described as the use of medications, in combination with counseling and behavioral therapies, to provide a whole-patient approach to the treatment of substance us disorders. Research shows that when treating substance-use disorders, a combination of medication and behavioral therapies is most successful. MAT is clinically driven with a focus on individualized patient care. See p. 39 of report, information taken from http://dpt.samhsa.gov/patients/mat.aspx. The report goes on to say that the Division of Substance Abuse Services assumed responsibility for oversight of Tennessee's Opioid Treatment Programs (also known as "medication assisted treatment programs" on April 1, 2008. The State Opioid Treatment Authority within the DMHSAS is responsible for program oversight and clinical assistance as well as administrative, medical, and pharmaceutical oversight to ensure that opioid addiction treatment is provided at an optimal level. At the time of the report, Tennessee had twelve for-profit methadone clinics. A non-profit methadone clinic was added in 2017.

Please clarify if there are any local county plans that include prevention and treatment of opioid abuse.

Response: The TDMHSAS supports the work of Community Prevention Coalitions; there are 37 counties in Tennessee that have such coalitions. In the applicant's service area, Jefferson and Hamblen Counties have Community Prevention Coalitions. Community Prevention Coalitions focus on environmental prevention strategies, such as public awareness campaigns; public policy development; and work with law enforcement; to create an environment in which people are less likely to misuse or abuse substances; rather than programmatic, one-on-one work. The applicant also found references for 3 of the counties that are helpful in identifying

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opioid abuse as a significant issue, and one where methadone treatment is specifically mentioned:

#### **Cocke County**

- The CDC released a report that determined opioid milligrams p/capita annually for counties across the US. Three Tennessee counties are in the top twenty nationally, including Cocke County.

  https://www.wate.com/news/local-news/3-tennessee-counties-on-cdc-monthly-report-on-opioid-prescriptions/834523727
- Cocke County Drug Overdoses Information, TN.GOV https://www.tn.gov/content/dam/tn/health/documents/Cocke Brief15.pdf

#### **Jefferson County**

For small-town Tennessee judge, opioid crisis is personal, TENNESSEAN
 <u>Note:</u> Does not mention MAT or methadone but profiles opioid crisis from Dandridge,
 <u>TN Judge's perspective.</u>
 <a href="https://www.tennessean.com/story/news/crime/2017/02/04/small-town-tennessee-judge-opioid-crisis-personal/95359050/">https://www.tennessean.com/story/news/crime/2017/02/04/small-town-tennessee-judge-opioid-crisis-personal/95359050/</a>

#### **Hamblen County**

• Hamblen County, Tennessee Health Assessment, Hamblen County Gov't/Non-Profits "Methadone treatment has been shown to increase participation in behavioral therapy and decrease both drug use and criminal behavior. However, individual treatment outcomes depend on the extent and nature of the patient's problems, the appropriateness of treatment and related services used to address those problems, and the quality of interaction between the patient and his or her treatment providers."

https://www.morristownhamblen.com/wpcontent/uploads/sites/9/2016/03/Hamblen-HNA-Final.pdf

Please indicate if there are any Drug Free Coalitions in each of the proposed 7 county service area. Are there any letters of support from those entities?

Response: Grainger, Hamblen, Hawkins, Jefferson and Sevier Counties have drug free coalitions. As stated previously, the applicant has not begun to contact local area agencies or providers and does not plan to do so until the application has been deemed complete. The applicant will submit letters of support prior to the HSDA hearing.

11. Section B, Need, Item 1. (NRMTF, Relationship to Existing Plans), Page 25

The applicant notes if a TennCare MCO sends the applicant a qualified TennCare patient to receive methadone treatment, then the treatment will be provided free of charge. Please clarify how many charity patients this arrangement will represent in Year One. Also, please clarify if charity care for TennCare enrollees will only occur if referred from a TennCare MCO.

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Response: The applicant anticipates that very few TennCare or indigent patients will present for treatment. Those it accepts for treatment will be treated either free of charge or with a payment arrangement. The applicant estimates 10-15 patients per year will be considered charity care and/or receive financial assistance. Referrals from a TennCare MCO will not be necessary in order for the TennCare enrollees to receive care.

Explain whether Federal law/rules limit or otherwise affect your ability to provide charity care.

Response: No.

What is an OUD?

Response: Opioid Use Disorder.

#### 12. Section B, Need, Item 1. (NRMTF, Long Range Development Plans), Page 26

It is noted the applicant's experience includes starting four OTP facilities from the ground up? Where are these OTP facilities located and did they each require a Certificate of Need?

Response: Dr. Richard Sherman started four OTP facilities from the ground up. One of them has been sold, so only three are owned in part by Dr. Sherman; these 3 are listed in response to Question 3 above. Three of them required a CON prior to being implemented. The three which required CON's were Southwest Carolina Treatment Center, Palmetto Carolina Treatment Center and Center of Hope of Myrtle Beach (which was sold last year). All of these are located in South Carolina. The 4<sup>th</sup> OTP is located in North Carolina.

#### 13. Section B, Need Item D.1, Page 29

The table on page 29 is noted. Please clarify if the current year (CY) is 2018 and projected year (PY) is 2022. If not, please revise the table and include 2018 (CY) and 2022 (PY). Also, please include the median age, median household income, persons below poverty level, and person below poverty level as a % of total for the proposed service area.

Response: The revised table, included as <u>Attachment Section B</u>, <u>Need</u>, <u>D</u>1(b), revised page 29, reflects current year data for 2018 and the projected year for 2022.



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#### 14. Section B. Need, Item E (Existing Clinics' Utilization), Page 30

Please complete the following chart from data from the Tennessee Department of Mental Health and Substance Abuse Services and external sources for the previous three years of utilization at the following clinics. Please also provide the source(s) of utilization information.

Response: The North Carolina Division of Mental Health, Developmental Disabilities, & Substance Abuse Services reports that it does not keep data related to the table below, and, therefore, such data is not publically available. The only data it keeps relates to NC Medicaid patients seen at a facility. In addition, TDMHSAS does not have records or data related to any out-of-state facility, individual visits at any facility, or readily available data related to patient counties of residence for 2015, 2016, or 2017. Please note that the notation "N/A" below should be read as "Not Available" as opposed to "Not Applicable."

Utilization/Facility	Knoxville BHG, Citgo Street location	Knoxville BHG, Rossville Blvd. location	Overmountain Recovery, Johnson City, TN	BHG Clyde, 414 Hospital Drive, Clyde, NC	BHG XXXVI, Asheville, NC	Western Carolina Treatment Ctr.,	Asheville Comprehensive Treatment Ctr., Asheville, NC	Crossroads Asheville, 6 Roberts	Katharos Sanctuary, 370 N. Louisiana Ave., Asheville, NC	Crossroad Treatment Center of Weaverville
2015 Patients (Pts)	1,107	1,061	N/A	N/A	N/A	N/A	N/A	N/A		N/A
2016 Patients (Pts)	1,119	1,036	N/A							
2017 Patients (Pts)	1,085									
2015 Visits	N/A	N/A			N/A					
2016 Visits	N/A									N/A
2017 Visits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015 Pts from 7 county proposed Service Area	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016 Pts from 7 county service Area	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017 Pts 7 county proposed Service Area	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Waiting List as of July 19, 2018	None	None	None	N/A	N/A	N/A	N/A	N/A	N/A	N/A



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Please complete the following table indicating the current number of patients from the proposed 7 county service area, by County, that were served by in state and out of state bordering methadone providers in 2017. The applicant will either need to contact the providers listed below directly, or the North Carolina State Opioid Authority and the Tennessee Department of Mental Health and Substance Abuse Services to obtain the data.

Response: The applicant requested data from TDMHSAS and the North Carolina Division of Mental Health, Developmental Disabilities, & Substance Abuse Services to complete the following table, but it was reported as unavailable. Specifically, TDMHSAS stated that, "TDMHSAS does not have readily available records or data related to the current number of patients from the proposed 7 county service area, by County, that were served by in-state and out-of-state bordering methadone providers in 2017. As stated above, TDMHSAS does not have records or data related to any out-of-state facility, thus we cannot provide information related to rows 5 through 11. Additionally, TDMHSAS does not have readily accessible data related to patient county of residence per facility for 2017." Please note that the notation "N/A" below should be read as "Not Available" as opposed to "Not Applicable."

	Cocke	Grainger	Green	Hamblen	Hawkins	Jefferson	Sevier	Total
Knoxville BHG, Citgo Street	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Knoxville BHG, Rossville Blvd.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Overmountain Recovery, Johnson City, TN	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BHG Clyde, 414 Hospital Drive, Clyde, NC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BHG XXXVI, Asheville, NC Western Carolina Treatment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ctr., Asheville, NC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Asheville Comprehensive Treatment Ctr., Asheville, NC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Crossroads Asheville, 6 Roberts Asheville, NC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Katharos Sanctuary, 370 N. Louisiana Ave., Asheville, NC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Crossroads Treatment Center of	•							
Weaverville, NC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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TDMHSAS did provide information for the following chart, which includes a list of all patients' most recent county of residence provided in 2017 for all methadone treatment facilities in Tennessee. This data is for patients treated from January 1, 2017 to December 31, 2017.

County Name	Patient Count
Cocke	16
Grainger	34
Greene	6
Hamblen	52
Hawkins	17
Jefferson	52
Sevier	145
Total	322

#### 15. Section B. Need, Item F, Page 30

It is noted the projections of 235 in Year One and 349 in Year Two is based on estimates of the number of adults using pain relievers for non-medical purposes and the number of adults who are users in the service area. Please provide detailed calculations or documentation from referral sources, and identification of all assumptions to support Year One and Year Two projections.

Response: The applicant is not aware of any evidence-based studies that establish the portion of opiate addicted individuals who need methadone instead of buprenorphine for treatment. Per SAMSHA, patients may switch from methadone to buprenorphine treatment, but because the two medications are so different, patients may not always be satisfied with the results. Studies indicate that buprenorphine is unlikely to be as effective as more optimal-dose methadone; it may not be the treatment of choice for patients with high levels of physical dependency. Patients receiving buprenorphine can possibly be switched to methadone, should this option become available to them. The clinical determination of which is more appropriate is based on the clinical judgment evaluating the patient's Without a better understanding of the patient's individual situation. addiction and other clinical factors, it is impossible to estimate which patients are appropriate for methadone instead of buprenorphine. Both of these treatment options are necessary to combat the epidemic of opioid addiction.

As stated in the application, according to the TDMHSAS 2014 report: Prescription for Success: Statewide Strategies to Prevent and Treat the Prescription Drug Abuse Epidemic in Tennessee, it is estimated that of the 4,850,000 adults in Tennessee, 221,000 or 4.56 have used pain relievers, also known as prescription opioids, in the past year for non-medical

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purposes. Of this number, 69,100 or 31% are estimated to be addicted to prescription opioids and require treatment for prescription opioid abuse. It is estimated that .4% of adults use heroin.

For the applicant's service area, this means that in 2018, there are 14,188 adults who have used pain relievers in the past year for non-medical purposes, and of those 4,400 are addicted to prescription opioids and require treatment for prescription opioid abuse. In 2022, these numbers increase to 14,623 and 4,533. For the applicant's service area, the number of adults who currently use heroin is estimated to be 1,245.

The tables below identify the number of drug related arrests due to heroin or other opioids, and the hospital discharges for heroin and other opioid drug-related poisonings. Opioid-related arrests are the highest in East Tennessee. Hospitalizations for heroin poisonings are higher in West Tennessee while opioid poisonings are higher in East Tennessee. While these statistics do not necessarily correlate to a specific numerical need for treatment options, they support that the epidemic is especially significant in East Tennessee.

### DRUG RELATED ARRESTS 2015-2016

County	Heroin Related Arrest Rate (per 10k Population)	Opioid Related Arrest Rate (per 10k Population)				
Cocke	1.1-2.5	15.1-25				
Grainger	< 5 people	7.6-15				
Greene	1.1-2.5	15.1-25				
Hamblen	.51-1	15.1-25				
Hawkins	< 5 people	7.6-15				
Jefferson	.51-1	15.1-25				
Sevier	2.5-7	15.1-25				

Source: Ellen Omohundro, PhD, Tennessee Department of Mental Health and Substance Abuse Services, *Heroin Indicators Report Highlights*, March 2017; Taken from the Tennessee Bureau of Investigation (TBI) CIIS Support Center, 2009-2016.

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### HOSPITAL DISCHARGE DATA FOR DRUG-RELATED POISONING 2012-2014

Hospital Discharges For Heroin Poisonings (per 10k Population)	Hospital Discharges For Opioid Poisonings (per 10k Population)		
0	12.4-15.4		
0	9.7-12.3		
0.00-0.35	9.7-12.3		
0.00-0.35	12.4-15.4		
0	9.7-12.3		
0.00-0.35	9.7-12.3		
0.00-0.35	7.5-9.6		
	Heroin Poisonings (per 10k Population)  0  0 0 0.00-0.35 0.00-0.35		

Notes. The data represents all outpatient (emergency room visits and 23 hour observations) and inpatient (stays of 24 hours or longer) hospital discharges of Tennessee residents.

Source: Ellen Omohundro, PhD, Tennessee Department of Mental Health and Substance Abuse Services, *Heroin Indicators Report Highlights*, March 2017.

Information from TDMHSAS shows that there were 322 patients from the applicant's service area who received treatment at methadone treatment facilities in Tennessee in 2017. It is unknown the number of patients who are receiving buprenorphine treatment in the applicant's service area. Given the estimate listed above of 4,400 people currently addicted to opioids and the low number who received treatment in 2017, the applicant should easily be able to treat its projections of 235 and 349 patients the first two years of operation.

Please indicate if the proposed facility will adequately handle 349 patients by Year 2 of the proposed project in a 2,880 SF facility.

Response: Yes. With two dosing stations, the applicant can increase the number of patients significantly over the projected numbers should it need to do so.

#### 16. Section B, Economic Feasibility, Item B (Project Costs Chart), Page 32

The architect's letter is noted. However, please clarify if the lower level (remaining 2,880 SF) of the proposed site will meet all applicable federal, state, and local building codes and standards in an un-renovated state.

Response: The lower level of the site will meet all applicable federal, state, and local building codes and standards in an un-renovated state.

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Will the applicant continue to lease the building from the building owner even if the owner of the building may be one of the applicant's owners. If yes, please note that the project cost should be based on the fair market value of the building or the lease expense over the initial term of the lease whichever is higher.

Response: The applicant will lease the building whether the owner of the building is one of the applicant's owners or not. The applicant included the fair market value of the building in the Project Costs Chart, as that is higher than the lease expense.

With that understanding please make any necessary changes to the Project Cost Chart, if applicable.

Response: Based on the response included above, no changes are necessary.

#### 17. Section B, Economic Feasibility, Item B, Funding, Page 33

Please provide a letter from a banking institution, Certified Public Account, etc. that demonstrates financial resources and/or reserves for Yon Mizrahi to fund the proposed project.

Response: Please see letter for Yona Mizrahi included as <u>Attachment Section B</u>, <u>Economic Feasibility</u>, <u>Item B</u>.

Please provide a signed letter from each contributing owner of their commitment to fund the proposed project equal to the stated proposed contribution amount.

Response: Each contributing owner requested the financial information referenced in the first part of this Question 17 to demonstrate their financial ability because they are willing and planning to contribute their stated proposed contribution amount. Enclosed with these supplementals as <a href="https://doi.org/10.1001/jtm.1001/jtm.10.1001/jtm.1001/j

#### 18. Section B, Economic Feasibility, Item D, Page 37

The total Year One non-operating expenses in the amount of \$53,496 appears to be incorrect. The corrected amount may need to be revised on the top of page 40 in the narrative because of any changes in the negative cash flow amount in Year One in the



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Projected Data Chart. Also, please specify if the utilization of 234 and 349 in Year One and Year Two represents patients. Please correct and submit a replacement Projected Data Chart and if necessary page 40.

Response: Please see revised Projected Data Chart included as <u>Attachment Section B, Economic Feasibility, Item D</u> replacement page 37-38 and replacement page 40

It is noted \$292.31 is designated for Provisions for Bad Debt in Year Two. However, please clarify the reason as a percentage of gross operating revenue (\$1,461,526) the amount appears low.

Response: The amount is low because generally the facility receives payment on a cash basis, or patients receive care on a charity care basis. Because of the way payment for treatment works, there is generally only a negligible amount of bad debt.

Please clarify if female patients who become pregnant and cannot afford treatment services will receive free treatment as charity care patients.

Response: Generally, pregnant female patients receive treatment while pregnant, regardless of ability to pay. Payment is deferred during the pregnancy. After the baby is born, a payment plan will be established for the patient to pay back at least a portion of the cost of care received. Patient engagement is a critical component of a successful treatment plan. Patients who are financially invested in their treatment are more likely to fully participate.

Please clarify if the applicant will refuse to accept patients who are unable to pay for services.

Response: When patients present at the facility, they are evaluated on the basis of appropriateness of treatment, whether or not they have transportation to get to treatment and their ability to pay. The applicant anticipates that few patients will appear who will be turned down for treatment for inability to pay for such treatment. Patients will generally be stabilized, regardless of the ability to pay, and may then be referred to appropriate county and state agencies.

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#### 19. Section B, Economic Feasibility, Item E, Page 39

The gross charge of \$15/day is noted. However, at \$15.00 a day the weekly total is \$105.00 not \$95.00. Please clarify.

Response: Patients who pay for 7 days of treatment in advance receive a discounted weekly rate.

Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the projected data chart for Year One and Year Two and submit a replacement page 39.

Response: Because there are no outside payer sources, there are no deductions from operating revenue and therefore the gross and the net charge are the same.

#### 20. Section B, Orderly Development, Item H, Page 41

The staffing table on page 42 is noted. However, please complete the non-patient care position section and the area wide/statewide average wage column and submit a replacement page 42 (labeled as 42R).

Response: Included as <u>Attachment Section B</u>, <u>Orderly Development</u>, <u>Item H</u> is replacement page 42-R revising the non-patient care position section and the area wide/statewide average column.

The .5 FTE Medical Director position is noted. However, is it realistic to retain a Medical Director at \$46,000 in Year One and Year Two?

Response: Yes, in the applicant's experience, this amount is consistent with payment in the industry. The medical director will receive \$90/hour for the amount of time spent at the facility.

Please describe the typical expected interaction between a typical patient and physician at the proposed facility, to include the amount of time at the initial visits and all subsequent visits, as well as the scope of care provided.

Response: The physician participates in the initial intake of the patient, which can be 20 minutes or longer. The physician follows up within 90 days of intake and as medically indicated. These follow up visits may be 10-15 minutes or longer. There is not a particular schedule, but the time the physician spends with patients is based on the individual needs of a



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particular patient. A physician is required to spend one hour for every 35 patients per week according to the Tennessee regulations for the operation of an opioid treatment program.

### 21. Section B, Orderly Development, Item D (Accreditation) and D.2 (Surveys), Page 46

Please describe CARF accreditation and why it was chosen over being accredited by The Join Commission.

Response: Established in 1966, CARF International is an independent, nonprofit accreditor of health and human services providers in the areas of Behavioral Health, Child and Youth Services, Opioid Treatment Programs and others. CARF accreditation signals a service provider's commitment to continually improving services, encouraging feedback, and serving the community. CARF standards are developed through a consultative, peerreview process that grounds them in provider realities. CARF surveyors do not focus solely on organizational documents and policies, but instead focus on what is unique to CARF and that is that the persons served mirror what is being done organizationally. In addition, CARF provides education for the industry.

CARF is generally considered the industry standard, having been in existence more than 50 years. The other facilities in which Dr. Sherman has an ownership interest are also CARF accredited, as is East Tennessee Healthcare Holdings, Inc., the one approved for Mountain States Health Alliance in Washington County, Tennessee.

Please provide a copy of the latest regulatory licensure survey of all OTP's owned by any owner of New Hope Treatment Center of 5% or more.

Response: Please see <u>Attachment Section B</u>, <u>Orderly Development</u>, <u>Item D.2</u> (<u>Surveys</u>), for surveys for the three facilities in which Dr. Sherman has an ownership interest.

#### 22. Section B, Orderly Development, Item E, Page 47

Please complete the following chart for each owner of New Hope Treatment Center with ownership of 5% or more (please list the full name of each owner).



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Response:

Owner Full Name	License or Certification Type	License or Certification #	Licensing State	Board Certifications
Richard Sherman, DO	Doctor of Osteopathic Medicine, Family Practitioner	#344	South Carolina	N/A
Dr. Stephen Loyd, MD	Medical Doctor, Internal Medicine	#34545	Tennessee	N/A
Pamela Whitmire, PIC	N/A	#5431	South Carolina	N/A
Yona Mizhari	N/A	N/A	N/A	N/A
Joy Bailley	N/A	N/A	N/A	N/A
Amy Shroyer	N/A	N/A	N/A	N/A

#### 23. Notification Requirements

Please note that Tennessee Code Annotated 68-11-1607(c)(3) states that "...Within ten (10) days of filing an application for a nonresidential methadone treatment facility with the agency, the applicant shall send a notice to the county executive of the county in which the facility is proposed to be located, the member of the House of Representatives and the Senator of the General Assembly representing the district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of a municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential methadone treatment facility has been filed with the agency by the applicant."

Please provide documentation that these notification requirements have been met.

Response: Please see attached a copy of the letters sent to the appropriate elected officials, along with the certified mail receipts.

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Please contact me at 615-850-8722 or by email at  $\underline{\text{Kim.Looney@wallerlaw.com}}$  if you have any questions.

Sincerely,

Kim Harvey Looney

KHL:lag Enclosures

# Attachment Section A, Applicant Profile, Item 4.A Replacement Page 10

#### 4. <u>SECTION A: PROJECT DETAILS</u>

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A.	Owner of the Facility, Agency or Institution		
	New Hope Treatment Center of Tennessee, LLC Name 135 Fox and Hound Way		865-527-1250 Phone Number Cocke
	Street or Route Newport City	<u>Tennessee</u> State	County 37821 Zip Code
В.	Type of Ownership of Control (Check One)		
	A. Sole Proprietorship F. B. Partnership C. Limited Partnership G. D. Corporation (For Profit) H. E. Corporation (Not-for-Profit) I.	Government (State of TN or Political Subdivision) Joint Venture Limited Liability Company Other (Specify)	<u>X</u>
exis Sec Sec	ch a copy of the partnership agreement, or contence. Please provide documentation of the acceptary of State's web-site at <a href="https://tnbear.tn.gov/tion A-4A">https://tnbear.tn.gov/tion A-4A</a> .	tive status of the entity from ECommerce/FilingSearch.asp	the Tennessee ox. Attachment
	<b>ponse:</b> See copy of organizational documents an tion A-4A.	d organizational chart include	ed as <u>Attachment</u>
stru the enti	cribe the existing or proposed ownership struct cture organizational chart. Explain the corporate s ownership structure relate to the applicant. As app ty and each member's percentage of ownership, for ect) interest.	tructure and the manner in wl licable, identify the members	nich all entities of of of the ownership
5.	Name of Management/Operating Entity (If Ap	plicable)	
	Not applicable Name		
	Street or Route		County
	City	State	Zip Code
	Website address:		
a dr to b met	new facilities or existing facilities without a curre aft management agreement that at least includes the e provided, the anticipated term of the agreement, a hodology and schedule. For facilities with existing of executed final contract. Attachment Section A-5.	ne anticipated scope of managand and the anticipated managem management agreements, atta	gement services ent fee payment

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# Attachment Section A, Applicant Profile, Item 4.B Bios

### Stephen Loyd, M.D.

I am an Internal Medicine Physician living in Johnson City, Tennessee. I have lived in Johnson City my entire life. I earned a Bachelor of Arts degree in Biology from the University of Tennessee in 1989 and a Doctor of Medicine Degree from the Quillen College of Medicine at East Tennessee State University in 1999. I completed an internship and residency in Internal Medicine at the Quillen College of Medicine in 2001 and I have been on the faculty of that same institution ever since. I am currently an Associate Professor of Internal Medicine. I became board certified in Internal Medicine in 2005. I became addicted to opiate painkillers and benzodiazepines during my residency and was fortunate enough to get treatment for my addictive disease at Vanderbilt University and the Center for Professional Excellence in Nashville, Tennessee in 2004. I completed a five-year contract with the Tennessee Medical Foundation (the physicians health program in the state of Tennessee) in 2009. At the end of that contract, I voluntarily signed a lifetime contract and I am still in compliance with that contract as of today. I have never had disciplinary actions by the state medical boards and I have no entries into the National Practitioners Databank.

I immediately became interested in addiction medicine after my own treatment in 2004. I have become a national speaker on the proper prescribing of controlled substances and continue in that role today. I have served as an expert witness for the Federal Government fifteen times in the past eleven years in cases against doctors for improperly prescribing controlled substances. In 2014, the Office of National Drug Control Policy (ONDCP) recognized my work with such organizations as Consumer Watchdog and Drug-Free.org and I was recognized as an Advocated for Action at The White House in Washington, DC.

My real passion in life is the delivery of care to people suffering from addictive disease. I have a specialized interest in the treatment of the opioid addicted pregnant patient. My dream is to one day have the stigma associated with addictive disease be a thing of the past. I believe in the benefits of medication assisted treatment and its role in saving the lives of those addicted to opioids. I have made this my life's work and I was recently hired by the State of Tennessee as the Medical Director of Addiction Treatment Services and I serve as the ambassador for the state in the field of opioid addiction treatment.

### Richard Sherman, DO

What makes Dr. Richard Sherman qualified to operate New Hope Treatment Center is two-fold. First, his education and experience as a physician is longstanding. Second, his own experience with addiction to opiates. He graduated from Des Moines University in 1984 with a Doctor of Osteopathic Medicine degree and completed residency in 1987 in Family Practice. Following his residency, he was in private practice for 2 years and returned for a second residency in Anesthesiology in OH from 1990-1994. Following the completion of his residency, he moved to South Carolina where he found himself dealing with his own addiction to opiates for about 6 months. Dr. Sherman turned himself in and went to treatment for 18 weeks in Atlanta at a treatment center (Talbott-Marsh Recovery Center) that specialized in healthcare professionals. Upon returning from treatment, the hospital system did not feel comfortable allowing him to return to work so he began volunteering. He volunteered for quite some time and his name became known in the community. He began his work in opioid treatment programs after attending the National Institutes on Health consensus statement conference in Washington DC where he learned of the phenomenal power of medication assisted treatment.

In 1996, he began working as Medical Director at an Opioid Treatment Program in Greenville, SC called Piedmont Treatment Center. He worked in that position until 1999 and then went on to partner in opening Western Carolina Treatment Center in Asheville, NC in February 2000. Dr. Sherman serves as the Corporate Medical Director for the facility. In 2002, he became a Member and Medical Director for a facility in Anderson SC called Southwest Carolina Treatment Center. Center of Hope (Myrtle Beach) opened in 2003 and Dr. Sherman served as the Corporate Medical Director there as well until the facility was sold last year. Palmetto Carolina Treatment Center was opened in 2014 and Dr. Sherman is the Managing Member and Corporate Medical Director there as well.

Throughout the years of his work in Opioid Treatment Programs, Dr. Sherman has also worked at The Phoenix Center in Greenville SC which provides a range of addiction treatment services to adolescents & adults including pregnant women.

Dr. Sherman has seen through the years the benefits of medication assisted treatment and has committed himself to serving as many individuals affected by the opioid use disorder epidemic as possible.

### **Joy Bailley**

Joy has over two decades of experience in management with expertise in retail, ad sales, finance and outpatient opioid treatment. She currently serves as Regional Operations Director for Palmetto Carolina Treatment Center, Southwest Carolina Treatment Center and Western Carolina Treatment Center and will also do the same for the applicant. For five years now, she oversees and manages each company's Human Resources, finances, strategic planning, policies, performance outcomes, and accreditations. Joy holds her Generalist Certification in Human Resources, certification in Employee Relations Law and she's currently working toward her Society for Human Resource Management Certified Professional (SHRM-CP).

### Dr. Pamela Whitmire

Pam has been working in the Medication Assisted Treatment community since October 2010 - first as the Pharmacist in Charge at Southwest Carolina Treatment Center and then in Spring of 2015, she became the Program Director as well.

Pam's educational experience began at the Medical University of SC where she earned both her bachelor's in pharmacy (1980) and her Master's in Health Services Administration (1990). She went on to the university of Florida where she earned her PharmD in 2000.

Pam's pharmacy experience has ranged from working within a hospital and Hospice setting to working within an Opioid Treatment Program.

She is certified in Overdose Education & Naloxone Distribution training. She's held memberships in American Pharmacy Association, the America Association of Hospital Pharmacists, and SC Pharmacy Association.

Pam says that seeing patients change their lives and succeed in meeting their goals is one of the things that she most enjoys from her work.

## Amy Shroyer - Bio

Amy Shroyer has 18 years of counseling experience with more than 17 of those years being work in an Opioid Treatment Program. Prior to working in an OTP setting, Amy worked with patients and families at Hospice. Amy earned a Bachelor's Degree in Psychology from the University of North Carolina at Asheville in 1999 and a Master's Degree in Community Agency Counseling from Western Carolina University in December of 2001. Additionally, she holds credentials with the North Carolina Substance Abuse Professional Practice Board. Amy earned a Licensed Clinical Addictions Specialist title on March 11, 2005 by demonstrating competency in the field of addictions counseling through both a written and an oral examination process. On June 10. 2006, Amy earned certification as a Certified Clinical Supervisor by successfully completing a written examination process and demonstrating competency in the specialty of clinical supervision. Amy also became certified with the South Carolina Association of Alcoholism & Drug Abuse Counselors as a Certified Addictions Counselor – II (CAC-II) in the Fall of 2011. Amy has worked within an OTP in a Clinical position (Western Carolina Treatment Center) since September 2000. Since that time, Amy has grown within the organization and has worked in supervisory positions – the first, Clinical Supervisor from Spring of 2008 to Fall of 2015. In the Fall of 2015, she transitioned into the Program Director position, bearing responsibility for the management of a 25-employee staff and a 700-patient facility. Amy is well-versed in State and Federal regulations as well as the CARF standards of operating an Opioid Treatment Program. Amy has participated in numerous AATOD (American Association for the Treatment of Opioid Dependence) conferences, where seminars are specifically tailored on how to provide best-practice care to patients enrolled in Medication Assisted Treatment. What Amy likes most about being part of this treatment program is twofold – first, the phenomenal support & trust she's received through the years from the leadership to develop her own craft in working with her team and second – the courage and trust that patients have demonstrated by sharing their brokenness and vulnerability along their journey.

# Attachment Section A, Applicant Profile, Item 6A Amendment to Commercial Lease to Purchase SOS Authorization



## Supplemental #1 July 26, 2018 12:11 P.M.

## COMMERCIAL AMENDMENT " 1 "

	NEW OUTLOOK LLC		AND THE RESERVE TO SERVE THE RESERVE THE RESERVE TO SERVE THE RESERVE TH		
	TIM MCMASTER		JANET MC	MASTER	
	per per				
isting Agent:		BURLIN ALLEN			
roperty: 135	FOX AND HOUNDS WAY		NEWPORT	TN .	37821
hich is hereby acknowledge	the mutual covenants herein and oth towledged, the parties agree to amendo Date of	d that certain C and any incorporate	OMMERCIAL LEAST	TO PURCHAS	E
FROM NEW I	OK LLC WILL ASSUME BU HOPE TREATMENT CENTER AGREEMENT DATED 4/10/	IN COMMERCIA	RELATIONSHIE L LEASE TO	•	
is Amendment sha ms and conditions	Il become binding when signed by a of the Agreement shall remain in ful	ll parties and shall be in	ncorporated into the A	greement an	d all othe
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Burlin Allen

TENNESSEE REALTORS

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## Supplemental #1

July 26, 2018 12:11 P.M.

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July 26, 2018 12:11 P.M.



## COMMERCIAL ADDENDUM "\_ 2 "

Buyer:	NEW HOPE TRE	AND HOUNDS WAY		NEWPORT IN	37821
Seller:	TIM M	CMASTER	&	JANET MCMASTER	
Buyer's.Age	of:		BURLIN ALLEN	DIMEST NUMBER	**************************************
Listing Ager	t;		URLIN ALLENC		
changing, de	leting, supplementing	or adding terring to cold	Agreement d	ffective as of the Date product of the date of the dat	ne purpose of
Socia and var	nable consideration;	he receipt and sufficiency	of which is hereby ack	nowledged, the parties some	as follows:
* CONTR	act to be ex	TENDED TO NOVE	MBER 26, 2018	•	
* IF ST APPRO	ATE OF TENNE VAL ON OCTOB	SSEE DOES NOT ER 26, 2018 TH	GIVE CERTIFICA EN THIS CONTRA	ATE OF NEED ACT IS NULL AND	VOID.
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with the term	s of the Agreement	or other documents execu	ed mercin verbatim. Shated prior to or simultar	ould the terms of this Adder	s Addendum,
thanzed use of the	d and may only be used in a form may result in legal s	eal estate transactions in which inclions being brought against th	Burlin A e user and should be reported to	11en is involved as othe Tennessee Association of Real	a TAR authorized lors at (615) 321
TENNESSEE REALTORS	Copyright 2017 @ Te				01/01/2018
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## Supplemental #1

## July 26, 2018 12:11 P.M.

the terms of this Addendum shall control, and the conflicting terms are hereby considered deleted and expressly waived by all 48 49 parties. In all other respects, the Agreement shall remain in full force and effect. 50 The party(ies) below have signed and acknowledge receipt of a copy. 51 52 NEW HOPE TREATMENT CENTER BUYER 53 By: JOY BAILEY By: \_\_\_ 54 Title: OFFICE Title:\_\_\_ 55 Entity: NEW HOPE TREATMENT CENTER Entity: \_\_ 7:20 omo'clock and Apm 56 \_\_\_at\_\_\_\_o'clock = am/ = pm Date The party(ies) below have signed and acknowledge receipt of a copy. 58 Authentisser 59 TANET MEMCASTER 60 SELLER ROTE & OF THE MENT OF A STER . SELLER<sub>8 8.29</sub> PARTOMCHASTER 61 TIM MEMASTER MASTEN 62 Title: Title: 63 Entity: Entity: \_\_ 64. at o'clock 🗆 am/ 🗆 pm at\_\_\_\_o?clock = am/ = pm 65 Date: Date 66 The party(ies) below have signed and acknowledge receipt of a copy. 67 :68 BUYER'S AGENT BURLIN ALLEN 69 FIRM / COMPANY REMAX BETWEEN THE LAKES. 6-27-18 at 9 o'clock 2 am/ 0 pm 70 893 HWY 11E 71 Date Address JEFFERSON CETY 377.60 72 The party(ies) below have signed and acknowledge receipt of a copy. 73 74 LISTING AGENT BURLIN ALLEN 75 FIRM / COMPANY SAME 76

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Address

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Date

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Version 01/01/2018

## Supplemental #1



## July 26, 2018 Division of Business Services **Department of State**

State of Tennessee 312 Rosa L. Parks AVE, 6th FL Nashville, TN 37243-1102

New Outlook of South Carolina, LLC STE A3 1200 WOODRUFF RD GREENVILLE, SC 29607-5732

July 24, 2018

## Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

SOS Control #:

000975945

Formation Locale: SOUTH CAROLINA

Filing Type:

Limited Liability Company - Foreign

Date Formed:

07/11/2018

Filing Date:

07/24/2018 3:41 PM

Fiscal Year Close: 12

Status:

Active

Annual Report Due: 04/01/2019

**Duration Term:** 

Perpetual

Image #:

B0486-8619

Managed By:

Manager Managed

**Document Receipt** 

Receipt #: 004206402

Filing Fee:

\$300.00

Payment-Check/MO - WALLER LANSDEN DORTCH & DAVIS LLP, NASHVILLE, TN

\$300.00

**Registered Agent Address:** 

C T CORPORATION SYSTEM

KNOXVILLE, TN 37919-5546

300 MONTVUE RD

STE A3

1200 WOODRUFF RD

**Principal Address:** 

GREENVILLE, SC 29607-5732

Congratulations on the successful filing of your Application for Certificate of Authority for New Outlook of South Carolina, LLC in the State of Tennessee which is effective on the date shown above. Please visit the Tennessee Department of Revenue website (apps.tn.gov/bizreg) to determine your online tax registration requirements. If you need to obtain a Certificate of Existence for this entity, you can request, pay for, and receive it from our website.

You must file an Annual Report with this office on or before the Annual Report Due Date noted above and maintain a Registered Office and Registered Agent. Failure to do so will subject the business to Administrative Dissolution/Revocation.

Secretary of State

Processed By: Cassandra Bowman

July 26, 2018 12:11 P.M.

## APPLICATION FOR CERTIFICATE OF AUTHORITY LIMITED LIABILITY COMPANY (98-4233)

Page 1 of 2

E0486-8619

B1/24/2018

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Tennessee

Secretary

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Business Services Division
Tre Hargett, Secretary of State
State of Tennessee
312 Rosa L. Parks AVE, 6th Fl.
Nashville, TN 37243-1102
(615) 741-2286

For Office Use Only



Filing Fee: \$50.00 per member (minimum fee = \$300, maximum fee = \$3,000)

(minimum fee = \$300, maximum fee = \$3,000)	
To The Secretary of the State of Tennessee: Pursuant to the provisions of T.C.A. §48-249-904 of the Tennessee Revised Limited Liability Compan applies for a certificate of authority to transact business in the State of Tennessee, and for that purpor	y Act, the undersigned hereby se sets forth:
The name of the Limited Liability Company is: New Outlook of South Carolina, LLC	
If different, the name under which the certificate of authority is to be obtained is:	
NOTE: The Secretary of State of the State of Tennessee may not Issue a certificate of authority to a foil it its name does not comply with the requirements of T.C.A. §48-249-106 of the Tennessee Revised Lobtaining a certificate of authority under an assumed Limited Liability Company name, an application §48-249-106(d).	imited Liability Company Act. If
2. The state or country under whose law it is formed is: South Carolina and the date of its formation is: $\frac{07}{Month}$ , $\frac{11}{Day}$ , $\frac{2018}{Yoar}$ and the date it commenced doing business in NOTE: Additional filing fees and proof of tax clearance confirming good standing may apply if the commenced doing business in Tennessee prior to the approval of this application. See T.C.A. §48 §48-249-905(c)	Limited Liability Company
3. This company has the additional designation of:  4. The name and complete address of its registered agent and office located in the state of Tennesse Name:  CT Corporation System  Address: 300 Montvuc Rd	ee is:
City: Knoxville State: TN Zip Code: 37919-5546	County: Knox
5. Fiscal Year Close Month: December	
6. If the document is not to be effective upon filing by the Secretary of State, the delayed effective da  Effective Date:	ite and time is: (Not to exceed 90 days)
7. The LLC will be: Member Managed Manager Managed Director Managed Boa	ard Managed Other
8. Number of Members at the date of filing:	- Securiture
9. Period of Duration: Perpetual Other Month Day Year	
10. The complete address of its principal executive office is:  Address: 1200 Woodruff Road, Suite A3  City: Greenville State: South Carolina	Zip Code: 29607

Rev. 10/12

## APPLICATION FOR CERTIFICATE OF AUTHORITY LIMITED LIABILITY COMPANY (95-4235)

Page 2 of 2:

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**Business Services Division** State of Tennessee 312 Rosa L. Parks AVE, 6th Fl. Nashville, TN 37243-1102

Tre Hargett, Secretary of State (615) 741-2286 Filing Fee: \$50.00 per member (minimum fee = \$300, maximum fee = \$3,000) New Outlook of South Carolina, LLC The name of the Limited Liability Company is: 11. The complete mailing address of the entity (if different from the principal office) is: Address: \_\_ Zlo Code: State: Olly: \_ 12. Non-Profit LLC (regulred only if the Additional Designation of "Non-Profit LLC" is entered in section 3.) I certify that this entity is a Non-Profit LLC whose sole member is a nonprofit corporation, foreign or domestic, incorporated under or subject to the provisions of the Tennessee Nonprofit Corporation Act and who is exempt from franchise and excise tax as not-for-profit as defined in T.C.A. \$67-4-2004. The business is disregarded as an entity for federal income tax purposes. 13. Professional LLC (required only if the Additional Designation of "Professional LLC" is entered in section 3.) 🔲 I certify that this PLLC has one or more qualified persons as members and no disqualified persons as members or holders. I certify that this entity meets the requirement of T.C.A. §48-249-1123(b)(3) Licensed Profession: 14. Series LLC (required only if the Additional Designation of "Series LLC" is entered in section 3.) ☐ I certify that this entity meets the requirements of T.C.A. §48-249-309(I) If the provisions of T.C.A. §48-249-309(i) (relating to foreign series LLCs) apply, then the information required by that section should be attached as part of this document. 15. Obligated Member Entity (list of obligated members and signatures must be attached) ☐ I understand that by statute: THE EXECUTION AND FILING OF THIS DOCUMENT WILL CAUSE THE MEMBER(S) TO BE PERSONALLY LIABLE FOR THE DEBTS, OBLIGATIONS AND LIABILITIES FOR THE LIMITED LIABILITY COMPANY TO THE SAME EXTENT AS A GENERAL PARTNER OF A GENERAL PARTNERSHIP. CONSULT AN ATTORNEY. 16. Other Provisions: leer - 7.20.18 Signature Signature Date Richard L. Sherman Manager Name (printed or typed) 'Signer's Capacity (if other than individual capacity).

## The State of South Carolina



## Office of Secretary of State Mark Hammond

## Certificate of Existence

I, Mark Hammond, Secretary of State of South Carolina Hereby Certify that:

## NEW OUTLOOK, LLC,

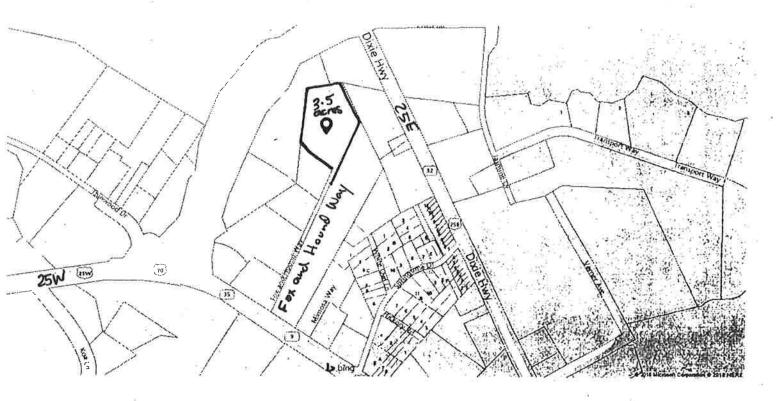
a limited liability company duly organized under the laws of the State of South Carolina on July 11th, 2018, with a duration that is at will, has as of this date filed all reports due this office, paid all fees, taxes and penalties owed to the State, that the Secretary of State has not mailed notice to the company that it is subject to being dissolved by administrative action pursuant to S.C. Code Ann. §33-44-809, and that the company has not filed articles of termination as of the date hereof.

Given under my Hand and the Great Seal of the State of South Carolina this 19th day of July, 2018.

Mark Hammond, Secretary of State

## Attachment Section A, Applicant Profile, Item 6B.1 Revised Plot Plan

Map for Parcel Address: Fox Hound Way # 135 TN Parcel ID: 046 058,00



## Attachment Section A, Applicant Profile, Item 6B.2 Revised Floor Plan

Supplemental #1 July 26, 2018 12:11 P.MMQUIN Floor (F) ð 3 Courselor SEE ALL COVICEDO conscior in Ecor telecom closet MISC 10 N counselor Conner, or govner/or stairs contactor break 1 sa group exit Entrys (00M) Worth Y.Oz à, Admin [5][0" DDDDDDD ballyoun bathroom V give 1864 Dosing 2 Window 2 (for future). Dosing 900 Window Shrage pharmacy-1111 Stairs 2880 Sq. P+

7

# Attachment Section A, Project Details, Item 12 Replacement Page 15

Supplemental #1

12. Square Footage and Cost Per Square Footage Chart July 26, 2018 Dosed Final Square Footage 12:11 P.M. Proposed Final Temporary Existing Existing Total Renovated New Location Location Unit/Department Location SF N/A 2,880 N/A 2.880 N/A Entire building Unit/Department GSF Sub-Total Other GSF Total Total GSF 2,880 \*Total Cost 220,000 \*\*Cost Per \$76.39 Square Foot ☐ Below ☐ Below 1<sup>st</sup> ☐ Below 1<sup>st</sup> Quartile 1<sup>st</sup> Quartile Quartile □ Between □ Between ☐ Between 1<sup>st</sup> and 2<sup>nd</sup> 1<sup>st</sup> and 2<sup>nd</sup> 1<sup>st</sup> and 2<sup>nd</sup> Quartile Quartile Quartile Cost per Square Foot Is Within Which Range (For quartile ranges, please refer to the Applicant's Toolbox on ☐ Between ☐ Between □ Between www.tn.gov/hsda) 2<sup>nd</sup> and 3<sup>rd</sup> 2<sup>nd</sup> and 3<sup>rd</sup> 2<sup>nd</sup> and 3<sup>rd</sup> Quartile Quartile Quartile ☐ Above 3<sup>rd</sup> ☐ Above ☐ Above 3<sup>rd</sup> Quartile 3<sup>rd</sup> Quartile Quartile

Page 15-R

<sup>\*</sup> The Total Construction Cost should equal the Construction Cost reported on line A5 of the Project Cost Chart.

<sup>\*\*</sup> Cost per Square Foot is the construction cost divided by the square feet. Please do not include contingency costs.

Attachment Section B, Need

OTPs and Buprenorphine Providers

Corrected Attachment Cover Sheet

## Attachment Section B, Need, Item D.1(b) Revised Population Table

b) Using current and projected population data from the Department of Health, the most recent enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, complete the following table and include data for each county in your proposed service area.

Projected Population Data: <a href="http://www.tn.gov/health/article/statistics-population">http://www.tn.gov/health/article/statistics-population</a>

TennCare Enrollment Data: <a href="http://www.tn.gov/tenncare/topic/enrollment-data">http://www.tn.gov/tenncare/topic/enrollment-data</a>

Census Bureau Fact Finder: <a href="http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml">http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml</a>

**Response:** Please see table below. Although the applicant will serve adults 18 and older, the target adult population listed below is for those adults 20 and over because that is the age grouping for the department of health population statistics.

		Depart	ment of H	lealth/Health	Statistics				Bureau o	f the Census	S	TennCare	
Demographic Variable/Geographic Area	Total Population- Current Year	Total Population- Projected Year	Total Population-% Change	*Target Population- Current Year 2018	*Target Population- Project Year 2022	*Target Population- % Change	Target Population Projected Year as % of Total	Median Age	Median Household Income	Person Below Poverty Level	Person Below Poverty Level as % of Total	TennCare Enrollees	TennCare Enrollees as % of Total
Cocke County	35,286	35,291	0.01	27,571	27,922	1.27	79.12	44.5	31,081	9,081	25.74	11,238	31.85
Grainger County	23,260	23,590	1.42	18,096	18,576	2.65	78.75	44.2	37,552	4,578	19.68	5,970	25.67
Greene County	69,145	69,977	1.20	54,101	55,081	1.81	78.71	44.0	36,711	12,373	17.89	15,585	22.54
Hamblen County	64,537	65,959	2.20	48,242	49,373	2.34	74.85	40.5	39,270	13,112	21.32	16,341	25.32
Hawkins County	56,620	56,520	-0.18	44,217	44,751	1.21	79.18	43.8	37,883	10,706	18.91	13,254	23.41
Jefferson County	54,390	55,894	2.77	41,977	43,436	3.43	77,71	42.7	43,673	7,724	14.20	12,171	22.38
Sevier County	99,529	104,986	5.48	76,917	81,532	6.0	77.66	42.4	42,586	14,285	14.35	20,849	20.95
Service Area Total	402,767	412,217	2.35	311,121	320,671	3.07	77.79	42.9	39,233	71,859	17.84	95,408	23.69
State of TN Total	6,769,368	6,992,559	3.30	5,077,974	5,258,523	3.56	75.20	38.5	46,574	1,100,169	16.25	1,418,732	20.96

<sup>\*</sup> Target Population is population that project will primarily serve. For example, nursing home, home health agency, hospice agency projects typically primarily serve the Age 65+ population; projects for child and adolescent psychiatric services will serve the Population Ages 0-19. Projected Year is defined in select service-specific criteria and standards. If Projected Year is not defined, default should be four years from current year, e.g., if Current Year is 2016, then default Projected Year is 2020.

2) Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

# Attachment Section B, Economic Feasibility, Item B Mizrahi Funding Letter Contributing Owners Financial Letters



July 26, 2018 12:11 P.M.

To:

Melanie Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson, 9<sup>th</sup> Floor
502 Deaderick Street
Nashville, TN 37243

Re:

New Hope Treatment Center Certificate of Need Application(CN1807-034)

Dear Ms. Hill:

This letter is written to confirm that Yona Mizrahi has been a valued client of Wells Fargo Bank, N.A. for the past 5 years and currently has the financial means on deposit as of today's date, July 24, 2018 to fund or make a \$65,000 investment in this project.

If you should have further questions, please give me a call at my office number below.

Sincerely

Sandra Penton Premier Banker II

Wells Fargo Bank, Vice-President

404-848-1482(office)

404-539-7851(cell)

Sandra.penton@wellsfargo.com

Together we'll go far

**July 26, 2018** 12:11 P.M.

July 20, 2018

Melanie Hill **Executive Director** Tennessee Health Services and Development Agency Andrew Jackson, 9th Floor 502 Deaderick Street Nashville, TN 37243

Re: New Hope Treatment Center Certificate of Need Application (CN1807-034)

Dear Ms. Hill:

As the holder of an 11 % capital membership interest in New Hope Treatment Center of Tennessee, LLC, I am hereby committing to fund the proposed project in the amount of a \$65,000 contribution, if the Certificate of Need is granted. As evidenced by the previously submitted letter, I have sufficient cash and other liquid assets to fund my share of the proposed project.

Sincerely,

[OWNER'S NAME]
YONA MIZRAHI.

July 20, 2018

Melanie Hill Executive Director Tennessee Health Services and Development Agency Andrew Jackson, 9<sup>th</sup> Floor 502 Deaderick Street Nashville, TN 37243

Re: New Hope Treatment Center Certificate of Need Application (CN1807-034)

Dear Ms. Hill:

As the holder of an 11 % capital membership interest in New Hope Treatment Center of Tennessee, LLC, I am hereby committing to fund the proposed project in the amount of a \$65,000 contribution, if the Certificate of Need is granted. As evidenced by the previously submitted letter, I have sufficient cash and other liquid assets to fund my share of the proposed project.

Sincerely

Pamela A. Whitmire

July 20, 2018

Melanie Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson, 9th Floor
502 Deaderick Street
Nashville, TN 37243

Re: New Hope Treatment Center Certificate of Need Application (CN1807-034)

Dear Ms. Hill:

As the holder of a 39 % capital membership interest in New Hope Treatment Center of Tennessee, LLC, I am hereby committing to fund the proposed project in the amount of a \$240,000 contribution, if the Certificate of Need is granted. As evidenced by the previously submitted letter, I have sufficient cash and other liquid assets to fund my share of the proposed project.

Mileland Seen

# Attachment Section B, Economic Feasibility, Item D Replacement Page 37-38 Replacement Page 40

PROJECTED DATA CHART

Supplemental #1

July 26, 2018 Project Only

Give information for the two (2) years following the completion of this proposal. The fiscal part begins in April (Month).

			Year 1	Year 2
Α,	Utili: Pati	zation Data (Specify unit of measure, e.g., 1,000 patient days, 500 visits)-ents	235	349
B.	Rev	enue from Services to Patients		
	1.	Inpatient Services	\$	\$
	2.	Outpatient Services	\$592,344.00	\$1,461,526.55
	3.	Emergency Services		
	4.	Other Operating Revenue (Specify)		:
		Gross Operating Revenue	\$592,344.00	\$1,461,526.55
C.	Ded	uctions from Gross Operating Revenue	10	
	1.	Contractual Adjustments	\$	\$
	2.	Provision for Charity Care	\$17,770.32	\$43,845.80
	3.	Provisions for Bad Debt	\$118.47	\$292.31
	Ο.	Total Deductions	\$17,888.79	44,138.11
NET C	PERA	ATING REVENUE	\$574,455.21	\$1,417,388.44
D.	Оре	erating Expenses		
	1.	Salaries and Wages		:=
		a. Direct Patient Care	\$303,828.00	\$442,196.00
		b. Non-Patient Care		(i
	2.	Physician's Salaries and Wages	\$46,000.00	\$48,000.00
	3.	Supplies	\$48,775.68	\$51,352.68
	4.	Rent a. Paid to Affiliates	\$27,600.00	\$27,600.00
	5.	<ul><li>b. Paid to Non-Affiliates</li><li>Management Fees:</li><li>a. Paid to Affiliates</li></ul>		n
		b. Paid to Non-Affiliates		9
	6.	Other Operating Expenses	\$146,899	\$162,669
		Total Operating Expenses	\$573,102.68	\$731,817.68
E, F,		nings Before Interest, Taxes and Depreciation	\$1,352.53	\$685,570.76
	1.	Taxes	\$27,746.00	\$39,215.00
	2.	Depreciation	\$15,750.00	\$29,880.00
	3.	Interest		9
	4.	Other Non-Operating Expenses		
		Total Non-Operating Expenses	\$43,496.00	\$69,095.00
NET I	NCOM	IE (LOSS)	(\$42,143.47)	\$616,475.76

Chart Continues Onto Next Page

## Supplemental #1

NET G.		ME (LOSS) r Deductions	\$2:44 <sup>3</sup> \$7.M.	\$616,475.76
	1.	Estimated Annual Principal Debt Repayment	\$	\$
	2.	Annual Capital Expenditure		
		Total Other Deductions	\$ 0.00	\$ 0.00
		NET BALANCE	(\$42,143.47)	\$616,475.76
		DEPRECIATION	\$ 15,750.00	\$ 29,880.00
		FREE CASH FLOW (Net Balance + Depreciation)	(\$26,393.47)	\$646,355.76

□ Total Facility□ Project Only

## PROJECTED DATA CHART-OTHER EXPENSES

OTH	IER EXPENSES CATEGORIES	Year 1	Year 2
1.	<u>Insurance</u>	\$58,124.00	\$91,944.00
2.	Licenses/CARF/Dues/Subscription Fees	\$9,200.00	\$500.00
3.	Training	\$4,800.00	\$4,950.00
4.	Computers/Software	\$15,000.00	\$7,200.00
5.	<u>Lab Fees</u>	\$39,800.00	\$40,000.00
6.	Repairs/Utilities	\$8,775.00	\$7,875.00
7.	<u>Janitorial</u>	\$3,000.00	\$3,000.00
8.	Security	\$1,700.00	\$1,200.00
9.	Advertising	\$6,500.00	\$6,000.00
	Total Other Expenses	\$ 146,899	\$ 162,669

Response: The Applicant estimates 235 patients in year one and 349 patients in year two. The Applicant anticipates a minimal negative free cash flow of (26,393.47) in Year 1 and a positive free cash flow in Year 2 of \$646,355.76. As indicated in the running letters, those owners of the Applicant who will provide financial support have the means to fund both the costs of the project and sufficient cash flow until financial viability is achieved.

2) Net Operating Margin Ratio – Demonstrates how much revenue is left over after all the variable or operating costs have been paid. The formula for this ratio is: (Earnings before interest, Taxes, and Depreciation/Net Operating Revenue).

Utilizing information from the Historical and Projected Data Charts please report the net operating margin ratio trends in the following table:

Year	2nd Year previous to Current Year	1st Year previous to Current Year	Current Year	Projected Year 1	Projected Year 2
Net Operating Margin Ratio	N/A	N/A	N/A	.2%	48%

3) Capitalization Ratio (Long-term debt to capitalization) – Measures the proportion of debt financing in a business's permanent (Long-term) financing mix. This ratio best measures a business's true capital structure because it is not affected by short-term financing decisions. The formula for this ratio is: (Long-term debt/(Long-term debt/Total Equity (Net assets)) x 100).

For the entity (applicant and/or parent company) that is funding the proposed project please provide the capitalization ratio using the most recent year available from the funding entity's audited balance sheet, if applicable. The Capitalization Ratios are not expected from outside the company lenders that provide funding.

**Response:** Not applicable. The applicant is a new entity and as such has no existing capitalization ratio.

G. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid and medically indigent patients will be served by the project. Additionally, report the estimated gross operating revenue dollar amount and percentage of projected gross operating revenue anticipated by payor classification for the first year of the project by completing the table below.

The proposed project will not seek certification from Medicare or TennCare. Response: Medicare patients rarely seek OTP services. While TennCare has a methadone benefit for enrollees younger than 21, this facility will not serve patients younger than 18. Consequently, the only eligible TennCare patients would be patients 18-20 years of age and very few patients in this age range seek treatment based on the experience of the Applicant's owners. Moreover, the process to become a TennCare provider and contract with MCOs involves a number of operational issues that place financial and administrative burdens on a provider. Given the limited number of eligible patients the Applicant would be treating as a TennCare provider, the Applicant would spend a disproportionate amount of time negotiating contracts and handling associated administrative tasks. If a TennCare MCO sends the Applicant a qualified TennCare patient approved to receive methadone the Applicant will provide treatment services to the patient free of charge as a charity care Should TennCare provide funding in the future, the Applicant would consider becoming a TennCare provider for these vital services. Please see the chart below for payor mix by payor source. Any revenues that might be attributable to TennCare patients are included in charity care.

# Attachment Section B, Orderly Development, Item H Replacement Page 42

	Position Classification	Existing FTEs (enter year)	Projected FTEs Year 1	Average Wage (Contractila:11 Rate)	26, 2018 PWde/Statewide Average Wage
Α.	Direct Patient Care Positions				
	Director	N/A	1.0	\$60,000/Yr	N/A
	Director of Nursing (RN)	N/A	1.0	\$55,0000/Yr	\$50,000/Yr
	Registered Nurse	N/A	0.5	\$24/Hr	\$25.28/Hr
	Licensed Practical Nurse	N/A	0.75	\$18/Hr	\$19.56/Hr
	Group Counselor	N/A	0.2	\$16/Hr	\$17.17/Hr
	Clinical Supervisor	N/A	1.0	\$45,700/Yr	\$36,000/Yr
	Counselor	N/A	1.25	\$16/Hr	\$17.17/Hr
	Total Direct Patient Care Positions	N/A	5.70	N/A	N/A

B.	Non-Patient Care Positions				
	Administrator	N/A	1.50	\$11/Hr	\$14.79/Hr
	Total Non-Patient Care Positions		1.50		
	Total Employees (A+B)		7.20		
C.	Contractual Staff				
	Medical Director	N/A	0.5	\$90/Hr	N/A
	Total Staff (A+B+C)		7.7	N/A	N/A

- I. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:
  - Discuss the availability of less costly, more effective and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, justify why not, including reasons as to why they were rejected.

Response: There are no viable choices for the Applicant other than to proceed with trying to implement this project. There are buprenorphine providers in the service area so this treatment alternative is available. As previously cited, the FDA has approved three drugs for the treatment of opioid dependence: methadone, buprenorphine, and naltrexone. All three of these treatments have been demonstrated to be safe and effective in combination with counseling and psychosocial support. Everyone who seeks treatment for an OUD should be offered access to all three options as this allows providers to work with patients to select the treatment best suited for an individual's needs.<sup>24</sup> With no available MAT providers in the service area, and portions of the service area identified as underserved for this service, the Applicant felt it had no choice but to step in to help fill the void in available service options.

There are no MAT providers in the service area. Portions of the service area have been identified as underserved.

Page 42-R

<sup>&</sup>lt;sup>24</sup> https://www.fda.gov/Drugs/DrugSafety/InformationbyDrugClass/ucm600092.htm

# Attachment Section B, Orderly Development, Item D.2 Surveys

July 26, 2018 12:11 P.M.



Location Information		Auc	Audit Information	
License Number:	OTPN-0049	Audit Form:	PSAD ROV 20161020	
Mail Stop:	HL-PSAD Outpatient	Audit Type:	L01 Routine	
Location Name:	SOUTHWEST CAROLINA TREATMENT CENTER	Start Date:	Wednesday, July 26, 2017	
Address 1:	341 W BELTLINE BLVD	Stop Date:	Wednesday, July 26, 2017	
City/State/Postal Code: ANDERSON, SC, 29625-1505, Anderson		Auditor:	Kendrick Williams	
Phone 1:	864-222-9798	Contact Name: PAM WHITMIRE		
Email:	JOY.BAILLEY@CAROLINATREATCENTERS.COM	q		

Bureau of Health Facilities Licensing

2600 Bull St

Columbia SC 29201-1708

REPORT NOTICE: If applicable, this Report of Visit includes a detailed description of the conditions, conduct or practices that were found to be in violation of requirements. This inspection or investigation is not to be construed as a check of every condition that may exist, nor does it relieve the licensee (owner) from the need to meet all applicable standards, regulations and laws. The South Carolina Code of Laws requires this Department to establish and enforce basic standards for the licensure (permitting), maintenance, and operation of health facilities and services to ensure the safe and adequate freatment of persons served in this State. It also empowers the Department to require reports and make inspections and investigations as considered necessary. Furthermore, the Code authorizes the Department to deny, suspend, or revoke licenses (permits) or to assess a monetary penalty against a person or facility for (among other reasons), violating a provision of law or departmental regulations or conduct or practices detrimental to the health or safety of patients, residents, clients, or employees of a facility or service. If applicable to the type of report being made, the signature of the activity representative indicates that all of the items cited were reviewed during the exit discussion. If this Report of Visit is required by regulation to be made available in a conspicuous place in a public area within the facility, redaction of the names of those individuals in the report is required as provided by Sections 44-7-310 and 44-7-315 of the S.C. Code of Laws, 1976, as amended.

Report Notice

An unannounced visit was made by the Bureau on July 26, 2017 to conduct a general inspection of Southwest Carolina Treatment Center. Several forms of documentation were reviewed to include but not limited to personnel records, participant files, and policy and procedures. As a result of the inspection, no violations of the standards for Health Facilities Licensing that Treat individuals for Psychoactive Substance Abuse or Dependence were cited.

INSPECTION INFORMATION	
Inspection Includes Licensing:	YES
Inspection Includes Food/Sanitation:	NO
Inspection Includes Fire & Life Safety:	NO
Is this an On-Site Visit?	YES
Select the Type of Inspection to be Performed:	PSAD OTP General Inspection
What Date Did the Auditor Arrive at the Facility?	26 Jul 2017
What Time Did the Auditor Arrive at the Facility?	9:30:44 AM

Supplemental #1

July 26,	2018
Licensed Capacity: 12:11 P	м
Current Census:	20
Facility Administrator:	Pat Whitmire
Enter the name and title of the Facility/Activity Representative for this Report of Visit.	Administrator- Pam Whitmire
Is the Current Facility/Activity Administrator the same as the Administrator of Record?	YES
Are there any other individuals accompanying the auditor for this visit?	NO
DHEC 0282 (05/2010) AUDIT - [Records Retention Schedule #SBH-F&S-17]	Retention
PROTECTED INFORMATION	
Is this information CONFIDENTIAL? This section names or identifies certain individuals related to cited violations. If you identify by name any patient, client, resident, or participant, you must check 'YES' by CONFIDENTIAL. Otherwise, check 'NO.' (The names of facility/activity staff members are NOT considered CONFIDENTIAL. If required for the audit, list the names of staff members in the citation.)	NO

Auditor Signature: Kendrick Williams

Representative Signature: PAM WHITMIRE

Com Row Adams

July 26, 2018 12:11 P.M.

From:

"McFadden, Whitney" <mcfaddwh@dhec.sc.gov>

To:

"pam.whitmire@carolinatreatmentcenters.com" <pam.whitmire@carolinatreatmentcenters.com>

Date: 04/28/2016 09:59 AM

Subject: Southwest Carolina Treatment Center

Dear Pamela Whitmire,

On April 25, 2016, the Department received Southwest Carolina Treatment Center's plan of correction (POC) in response to the Department's routine report of visit (ROV), dated March 23, 2016. As a result of our review, the Department accepts the facility's POC addressing the cited violations.

Whitney McFadden, MELP
Support Manager
Health Facilities Oversight Division
Bureau of Health Facilities Licensing
SC Dept. of Health and Environmental Control
803-545-0077 (Office) 803-545-4212 (Fax)
mcfaddwh@dhec.sc.gov



### PLAN OF CORRECTION emental

# BUREAU OF HEALTH FACILITIES LICENSING 2600 BULL STREET, COLUMBIA, 12:19201-M.

OFFICE (803) 545-4370 FAX (803) 545-4212 E-MAIL BHFL@dhec.sc.gov

NOTICE: Information on the audit inspection form will be needed to assist you in completing this form.

Inspection Date: 3/23/2016 Today's Date: 4/25/2016 License Prefix: OTPN Suffix #: 49

Type of Inspection: LOI ROUTINE

Name of Facility/Activity: Southwest Carolina Treatment Center

Administrators Certification: By checking this box, I attest that I am the administrator of the facility/activity and that this plan of correction is accurate. Additionally, I certify that the plan of correction describes the actions taken to correct each cited deficiency, the actions taken to prevent similar recurrences and the actual or expected completion date.

Administrator Name: Pamela A. Whitmire E-mail: pam.whitmire@carolinatreatment centers.com

Phone: 864-222-9798

### RESPONSE TO CITATIONS

03/23/2016 Completion Date (Actual or Expected)

Section: 1402.A

Corrective Action: An Annual Tuberculosis Risk Assessment per CDC guidelines was completed on

March 23, 2016.

Preventive Action: SWCTC calendar Reports Schedule will plan for Annual Tuberculosis Risk Assessment per CDC guidelines to be completed each year in the month of March and discussed

with the entire staff.

Completion Date (Actual or Expected)

Section:

Corrective Action:

Preventive Action:

Completion Date (Actual or Expected)

Section:

Corrective Action:

Preventive Action:

Completion Date (Actual or Expected)

Section:

Corrective Action:

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Completion Date (Actual or Expected)

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Corrective Action:

Preventive Action:

Completion Date (Actual or Expected)

Section:

Corrective Action:

Preventive Action:

Completion Date (Actual or Expected)

Section:

**July 26, 2018** 12:11 P.M.



South Carolina Department of Health and Environmental Control

### INSPECTION RESULTS

Facility Information **Audit information** 

Permit Number: OTPN-0049 Audit Name: PSAD ROV 20150626

Facility Name: SOUTHWEST CAROLINA TREATMENT CENTER Type: L01 Routine

341 W BELTLINE BLVD Start Date: 23 Mar 2016 05:45 AM Address:

City/State/Zip: ANDERSON, SC 29625-1505 Anderson End Date: 23 Mar 2016 08:00 AM

864-222-9798 Marcus Jackson Phone 1: Inspector: Phone 2: Score: 0.0%

the independent collection of the Bittle concern. A west offi-

Fax:

JOY.BAILLEY@CAROLINATREATCENTERS.COM Email:

> Overall Score 0.0%

### Report Notice

Question Answer Percent Bureau of Health Facilities Licensing Report N/A Notice 2600 Bull St Columbia SC 29201-1708

REPORT NOTICE: If applicable, this Report of Visit includes a detailed description of the conditions, conduct or practices that were found to be in violation of requirements. This inspection or investigation is not to be construed as a check of every condition that may exist, nor does it relieve the licensee (owner) from the need to meet all applicable standards, regulations and laws. The South Carolina Code of Laws requires this Department to establish and enforce basic standards for the licensure (permitting), maintenance, and operation of health facilities and services to ensure the safe and adequate treatment of persons served in this State. It also empowers the Department to require reports and make inspections and investigations as considered necessary. Furthermore, the Code authorizes the Department to deny, suspend, or revoke licenses (permits) or to assess a monetary penalty against a person or facility for (among other reasons), violating a provision of law or departmental regulations or conduct or practices detrimental to the health or safety of patients, residents, clients, or employees of a facility or service. If applicable to the type of report being made, the signature of the activity representative indicates that all of the items cited were reviewed during the exit discussion. If this Report of Visit is required by regulation to be made available in a conspicuous place in a public area within the facility, redaction of the names of those individuals in the report is required as provided by Sections 44-7-310 and 44-7-315 of the S.C. Code of Laws, 1976, as amended.

### Administrator's Signature - Plan of Correction

Question Percent PLAN OF CORRECTION - Administrators Certification: I certify that the attached plan of correction describes: N/A (1) the actions taken to correct each cited deficiency, REQUIRED (2) the actions taken to prevent similar recurrences, and

(3) the actual or expected completion dates of those actions. PRINT NAME: Pamela A. Whitmire, Pharm.D., MHSA, FAPhA

Program Director Pamela A. Whitmire, Pharm.D.

### An annual tuberculosis risk assessment was not available for review.

screening and other tuberculosis related measures to be taken. (Class I Violation)

Totals

### Record Retention

Comments

Question

DHEC 0282 (05/2010) AUDIT - [Records Retention Schedule #S8H-F&S-17]

Retention N/A

Totals

N/A

Auditor Signature: Marcus Jackson

Manlah

Account Signature:

X Pamela A. Whitmire, Pharm. D.

July 26, 2018 12:11 P.M.



Augit Sitormation Location information Andit Form: PSAD ROV 20161020 OTPN-0117 License Number: Audit Type: LOI Routine Mail Stop: HL-PSAD Outpatient Start Date: Wednesday, November 8, 2017 PAUMETTO CAROLINA TREATMENT CENTER Location Name: Wednesday, November 8, 2017 Stop Date: 325 INGLESBY PKWY UNIT F Address 1: Brittany Diggs Auditor: City/State/Postal Code: DUNCAN, SC, 29334-9117, Spartanburg Contact Name: TALISHA RATLIFF 864-433-8443 Phone 1: JOY BAILLEY@CAROLINATREATMENTCENTERS.COM Email:

Bureau of Health Facilities Licensing 2600 Bull St Columbia SC 29201-1708 REPORT NOTICE: If applicable, this Report of Visit includes a detailed description of the conditions, conduct or practices flist were found to be in violetion of requirements. This in specifical or investigation is not to be construed as a check of every condition that may exist, nor does it relieve the licenses (owner) from the need to meet all applicable standards, regulations and laws. The South Corolina Code of Laws requires this Department to establish and suforce basic standards for the licensure (permitting), maintenance, and operation of health facilities and services to ensure the safe and Report Notice adequate freshment of persons served in this State. If also empowers the Department to require reports and make inspections and investigations as considered necessary. Furthermore, the Code authorizes the Deputment to decry, suspend, or revolve licenses (permits) or to assess a monetary penalty signifies a person or facility for (smeng other reasons), violating a provision of law or departmental regulations or conduct or practices defrimental to the health or safety of patients, residents, clients, or employees of a facility or service. If applicable to the type of seport being made, the signature of the activity representative indicates that all of the items cited were reviewed during the exit discussion. If this Report of Visit is required by regulation to be made twaitable in a conspicuous place in a public area within the facility, redaction of the names of those individuals in the report is required as provided by Sections 44-7-310 and 44-7-315 of the S.C. Code of Laws, 1976, as amended ADMINISTRATOR'S SIGNATURE PLAN OF CORRECTION PLAN OF CORRECTION - Administrators Continention: I confry that the attached plan of correction describes: (1) the actions taken to correct each cited deficiency, (2) the actions taken to prevent similar recurrences, and (3) the actual or expected completion dates of those actions, PRINT NAME TITLE: SIGNATURE: POC Any violations dised in this report of visit were observed at the time of the inspection. REQUIRED The Administrator submits an electronic plan of correction by visiting the website http://www.schoo.gov/Health/Hitelith/EscilityRegulationsLicensing/HealthcareFacilityLicensing/CorrectionPlan/ and following the Or the Administrator returns a copy of this report (original algorithms required) with description of corrective notions to SCOPERC, Bureau of Resith Facilities Licenting, 2000 Bull St. Columbia, SC, 29201 Your response to this report must be received to our office by close of business (5:00 p.m.) no later than the date listed below: Plan of correction is due by November 23, 2017, THE RESERVOY OF THE PROPERTY O YES Inspection Includes Licensing: NO Inspection Includes Food/Sanitation:

July 26, 2018 12:11 P.M.

Inspection Includes Fire & Life Safety:	МО
Is this an On-Site Visit?	YES
A MANUAL	PSAD OTP General Inspection
What Date Did the Auditor Arrive at the Facility?	8 Nov 2017
What Time Did the Auditor Arrive at the Facility?	9.15:21 AM
Licensed Capacity:	1
Current Census:	236
Facility Administrator:	Joseph Barr
Enter the name and title of the Facility/Activity Representative for this Report of Visit.	Joseph Barr Director
Is the Current Facility/Activity Administrator the same as the Administrator of Record?	YES
	NO
PSAD REGULATION SECTIONS 1100-1700	
1402.A. All facilities shall conduct an annual tuberculosis risk assessment in accordance with CDC guidelines (See Section 102.B.4) to determine the appropriateness and frequency of tuberculosis screening and other tuberculosis related measures to be taken. (Class I Violation)  There was no documentation of an annual tuberculosis risk assessment in accordance with CDC guidelines available for review.	OUI
1403.B.1. Staff Tuberculosis Screening. Low Risk: 1. Baseline two-step Tuberculin Skin Test (TST) or a single Blood Assay for Mycobacterium tuberculosis (BAMT). All staff (within three (3) months prior to contact with residents) unless there is a documented TST or a BAMT result during the previous twelve (12) months. If a newly employed staff has had a documented negative TST or a BAMT result within the previous twelve (12) months, a single TST (or the single BAMT) can be administered to serve as the baseline. (Class I Violation)  For 1 of 4 staff records reviewed, there was no documentation of the second step Tuberculin skin test available for review. Staff A's initial date of patient contact is documented as 1/17/17; the first tuberculin skin test is documented as administered on 6/19/17 and read on 6/21/17.	ούτ
	Retention
PROTECTED INSURMATION	
Is this information CONFIDENTIAL? This section names or identifies certain individuals related to cited violations. If you identify by name any patient, client, resident, or participant, you must check 'YES' by CONFIDENTIAL. Otherwise, check 'NO.' (The names of facility/activity staff members are NOT considered CONFIDENTIAL. If required for the audit, list the names of staff members in the citation.)  Staff A: Lacey "Amber" Davis	YES

Auditor Signature: Brittany Diggs		
OH THE		
(During Day 20)	and the second second	

Representative Signature: TALISHA RATLIFF

### Supplemental #1



### **July 26, 2018** PLAN OF CORRECTION REPORTING FORW2:11 P.M. BUREAU OF HEALTH FACILITIES LICENSING

metal a commonstina shharron

### INSPECTION INFORMATION License Number: OTPN-0117 Facility Type: HL-PSAD Outpatient Facility Name: PALMETTO CAROLINA TREATMENT CENTER: Inspection Date: 11/08/2017 Submission Date: 11/21/2017 Type of Inspection: Routine ADMINISTRATOR'S CERTIFICATION By checking this box, I attest that I am the administrator of the facility/activity and that this plan of correction is accurate. Additionally, I certify that the plan of correction describes the actions taken to correct each cited deficiency, the actions taken to prevent similar recurrences and the actual or expected completion date. Checked Administrator Name: Joseph Barr E-mail: joseph.barr@carolinalreatmentcenters.com Phone: (864) 433-8443 RESPONSE TO CITATIONS Was Completion Date Provided? Completion Date (Actual or Expected): Section: 11/17/2017 1402.A. Corrective Action: Facility's Head Nurse completed the tuberculosis risk assessment in accordance with CDC guidelines for the year 2017. The Program Director and Facility's Head Nurse have added the annual TB risk assessment to the list of required yearly reviewed tests and assessments. To prevent future misplacement of this document; Head Facility Nurse and Program Director will both maintain copies of all annual

Was Completion Date Provided? Completion Date (Actual or Expected):

11/29/2017

11/21/2017, 1:35 PM

tuberculosis risk assessments.

Section:

1402.B.1.

### Supplemental #1

### Corrective Action:

**July 26, 2018** 

12:11 P.M.
Staff member A has started and is on track to complete the Two-Step Tuberculin Skin Test. All future employees will be required to adhere to the company's policy of completing and providing outdoors of the company's policy of completing and providing outdoors. company's policy of completing and providing evidence of the completed Two-Step TB skin test prior to their start date.

#### Preventive Action:

Program Director will make sure all employees complete and provide evidence of completed Two-Step TB skin test prior to their start date and place the completed document in the employee's personnel file.

Remove POC:

**UPLOAD DOCUMENTS** 

File Upload

Plan of Correction Log Number:

FPC11045-17

DHEC Form 0284 (05/2014)

Close



November 27, 2017

PALMETTO CAROLINA TREATMENT CENTER 325 INGLESBY PKWY UNIT F DUNCAN, SC 29334-9117

### Confidential Plan of Correction ID: FPC11044-17

### PALMETTO CAROLINA TREATMENT CENTER:

Thank you for submitting your Plan of Correction (POC) to a routine inspection report of visit dated November 8, 2017. As a result of our review, the Department accepts the facility's POC addressing the cited violations.

Sincerely, Bureau of Health Facilities Licensing (803) 545–4370

S.C. Department of Health and Environmental Control



**ROY COOPER** • Governor

MANDY COHEN, MD, MPH · Secretary

MARK PAYNE • Director, Division of Health Service Regulation

July 23, 2018

Amy Shroyer, Director Western Carolina Treatment Center, Inc. 573 Merrimon Avenue Asheville, NC 28804

Re:

Limited Follow up Survey Completed July 11, 2018

Western Carolina Treatment Center, 573 Merrimon Avenue, Asheville, NC 28804

MHL# 011-246

E-mail Address: amy.shroyer@carolinatreatmentcenters.com

Dear Ms. Shroyer:

Thank you for the cooperation and courtesy extended during our follow up survey completed 7/11/18. This survey was conducted as a result of the Type A1 deficiencies cited during the 5/10/18 survey.

This was a limited follow up survey, only the following deficiencies were reviewed for compliance. A second follow up survey will be conducted to review any additional deficiencies.

- 10A NCAC 27G .0203 Competencies of Qualified Professionals and Associate Professionals (V109) – Cross Referenced
- 10A NCAC 27G .3601 Scope (V233) Type A1

As a result of the follow up survey, it was determined that the following <u>reviewed</u> deficiencies are now in compliance:

- 10A NCAC 27G .0203 Competencies of Qualified Professionals and Associate Professionals (V109) – Cross Referenced
- 10A NCAC 27G .3601 Scope (V233) Type A1

Although the reviewed deficiencies are now in compliance, you remain responsible for payment of penalties levied against Western Carolina Treatment Center, Inc. during the annual and follow-up completed 5/10/18

### Supplemental #1

July 26, 2018 7/23/18 12:11 P.M.Amy Shroyer Western Carolina Treatment Center, Inc.

If we can be of further assistance, please call Robin Sulfridge, Branch Manager at 336-861-7342.

Sincerely,

Cathy Samford

Facility Compliance Consultant I

Mental Health Licensure & Certification Section

Cc: DHSRreports@dhhs.nc.gov, DMH/DD/SAS

Brian Ingraham, Director, Vaya Health LME/MCO

Patty Wilson, Quality Management Director, Vaya Health LME/MCO

Stoney Blevins, Director, Buncombe Home DSS

Smith Worth, SOTA Director

Pam Pridgen, Administrative Assistant

File

Supplemental #1
July 26, 2018 FORM APPROVED Division of Health Service Regulation

STATEMENT OF DEFICIENCIES (X1) PROVIDER/SUPPLIER/CLIA 12:11 P.M. (X3) DATE SURVEY (X2) MULTIPLE CONSTRUCTION

AND PLAN OF CORRECTION		IDENTIFICATION NUMBER:	` '		COMP	LETED
		MHL011-246	B. WING		R 07/1	≀ 1/2018
NAME OF PROVIDER OR SUP	LIER	STREET AD	ORESS CITY S	STATE, ZIP CODE		
		573 MERE	RIMON AVEN			
WESTERN CAROLINA T	(EAI	MENT CENTER ASHEVILI	E, NC 2880	)4		
PREFIX (EACH DEFI	IENC,	ATEMENT OF DEFICIENCIES Y MUST BE PRECEDED BY FULL SC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOUL CROSS-REFERENCED TO THE APPROF	D BE	(X5) COMPLETE DATE
V 000 INITIAL COM	IEN	TS	V 000			
A Limited Follo completed on up survey, onl Competencies Associate Pro 27G .3601 Sc compliance: 1 Competencies Associate Pro 27G .3601 Sc cited.	w up 7/11/ 10/ of C essi- pe ( A N of C essi- pe ( cen-	o survey for the Type A1 was (18. This was a limited follow A NCAC 27G .0203 Qualified Professionals and onals (V109) and 10A NCAC (V233) was reviewed for collowing was brought back into CAC 27G .0203 Qualified Professionals and onals (V109) and 10A NCAC (V233). No deficiencies were seed for the following service AC 27G .3600 Outpatient				

Division of Health Service Regulation

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

## WESTERN CAROLINA

TREATMENT CENTER, INC

June 21, 2016

Mental Health Licensure and Certification Section NC Division of Health Service Regulation 2718 Mail Service Center Raleigh, NC 27699-2718

Please find enclosed the Plan of Correction prepared as a response to our Annual Survey completed on 5/26/16.

If you need anything further, please feel free to contact me at 828-251-1478 extension 208.

Respectfully,

Amy B. Shroyer, MS, LCAS, CCS Program Director

Supplementa RIMTED: 06/07/2016

FORM APPROVED July 26, 2018 Division of Health Service Regulation STATEMENT OF DEFICIENCIES (XI) PROVIDER/SUPPLIER/CLIA (X2) MULTIPLE CONSTRUCTION 12:11 P.M. (X3) DATE SURVEY AND PLAN OF CORRECTION IDENTIFICATION NUMBER: COMPLETED A. BUILDING: B. WING MHL011246 05/26/2016 NAME OF PROVIDER OR SUPPLIER STREET ADDRESS, CITY, STATE, ZIP CODE **573 MERRIMON AVENUE** WESTERN CAROLINA TREATMENT CENTER ASHEVILLE, NC 28804 SUMMARY STATEMENT OF DEFICIENCIES (EACH (X4) ID PROVIDER'S PLAN OF CORRECTION ŒACH (X5)DEFICIENCY MUST BE PRECEDED BY FULL PREFIX PREFIX CORRECTIVE ACTION SHOULD BE CROSS-COMPLETE REGULATORY OR LSC IDENTIFYING INFORMATION) TAG REFERENCED TO THE APPROPRIATE TAG DATE DEFICIENCY) V 000 INITIAL COMMENTS V 000 An annual survey was completed on 5/26/16. Deficiencies were cited. This facility is licensed for the following service category: 10A NCAC 27G .3600 Outpatient Opioid Treatment V 233 27G .3601 Outpt. Opiod Tx. - Scope V 233 10A NCAC 27G .3601 SCOPE (a) An outpatient opioid treatment facility provides periodic services designed to offer the individual an opportunity to effect constructive changes in his lifestyle by using methadone or other medications approved for use in opioid treatment in conjunction with the provision of rehabilitation and medical services. (b) Methadone and other medications approved for use in opioid treatment are also tools in the detoxification and rehabilitation process of an opioid dependent individual. (c) For the purpose of detoxification, methadone and other medications approved for use in opioid treatment shall be administered in decreasing doses for a period not to exceed 180 days. (d) For individuals with a history of being physiologically addicted to an opioid drug for at least one year before admission to the service, methadone and other medications approved for use in opioid treatment may also be used in maintenance treatment. In these cases. methadone and other medications approved for use in opioid treatment may be administered or dispensed in excess of 180 days and shall be administered in stable and clinically established dosage levels.

Division of Health Service Regulation

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

Iram Director

STATEMENT O	F DEFICIENCIES
AND PLAN OF	CORRECTION

(XI) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:

X2)	MULTIPLE	CONSTRUCTION
R	HILDING:	

(X3) DATE SURVEY 12:11 P.M. COMPLETED.

MHL011246

05/26/2016

NAME OF PROVIDER OR SUPPLIER

STREET ADDRESS, CITY, STATE, ZIP CODE

#### **573 MERRIMON AVENUE** WESTERN CAROLINA TREATMENT CENTER

ASHEVILLE, NC 28804				
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS- REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
V 233	Continued From page 1	V 233		-
	This Rule is not met as evidenced by:  Based on interview and record review, the facility failed to provide services designed to affect constructive changes in the client's lifestyle by using methadone in conjunction with the provision of rehabilitation and medical services affecting 7 of 70 sampled clients (#8, #12, #35, #40, #58, #68, #69). The findings are:  Record review on 5/24/16 for Client #8 revealed:  Admitted on 9/11/14 with diagnoses of Opioid Addiction, Hypertension, Cervical Spondylosis, and Neuropathy.  Physical screening completed by the RN (registered nurse) at intake indicated that Client #8 took two medications, Bystolic and Prevastatin.  There was no documentation to indicate coordination of care with the prescribing physician.  There was no documentation to indicate the facility physician approved the medications for Client #8.  Record review on 5/24/16 for Client #12 revealed:  Admitted on 1/4/16 with diagnoses of Opioid Use Disorder, Hypertension, and COPD (chronic obstructive pulmonary disease).  Intake physical signed by the physician		Plan of Correction: Western Carolina Treatment Center Program Director has reoriented and educated all staff to the process, procedures, and requirements related to Coordination of Care with outside prescribers in an effort to affect constructive changes in the client's lifestyle by using methadone in conjunction with the provision of rehabilitation and medical services.  WCTC has hired and trained a Registered Nurse whose primary job responsibility will be to ensure the appropriate coordination of care with outside prescribers of medications.  Monitoring will be continuous and will be the shared responsibility of the Program Director, Director of Nursing, and Clinical Supervisor. A quarterly audit will be done on all patient records which indicated they are receiving	

There was no documentation to indicate coordination of care with the prescribing physician.

for hypertension and Tramadol.

There was no documentation to indicate the facility physician approved the medications for Client #12.

indicated that Client #12 was prescribed Lisinopril

Record review on 5/24/16 for Client #35 revealed:

OIIM11

6899

prescribed medications to check for

coordination of care. This will take

with DHSR regulations related to

Coordination of Care.

place in an effort to ensure compliance

SupplementaRI#7ED: 06/07/2016

FORM APPROVED July 26, 2018 Division of Health Service Regulation STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION (XI) PROVIDER/SUPPLIER/CLIA (X2) MULTIPLE CONSTRUCTION (X3) DATE SURVEY COMPLETED 12:11 P.M. IDENTIFICATION NUMBER: A. BUILDING: \_\_\_\_\_ B. WING \_\_ MHL011246 05/26/2016

NAME OF PROVIDER OR SUPPLIER

STREET ADDRESS, CITY, STATE, ZIP CODE

WESTERN CAROLINA TREATMENT CENTER 573 MERRIMON AVENUE							
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE			
V 233	Continued From page 2	V 233					
	- Admitted on 2/24/16 with diagnoses of Opioid Dependency, Depression and Seizure Disorder Medications indicated for Client #35 were Keppra (750mg), Afrin nasal spray, and Albuterol There was no documentation to indicate coordination of care with the prescribing physician There was no documentation to indicate the facility physician approved the medications for Client #35.		2 2				
	Record review on 5/26/16 for Client #40 revealed:  Admitted on 12/16/15 with diagnoses of Opioid Dependence.  Medications indicated for Client #40 were Zoloft (50mg), Testosterone (4mg), Gabapentin (1200mg), and Oxybutin.  Medical care was provided through the Veterans Administration.  There was no documentation to indicate coordination of care with the prescribing physician.  There was no documentation to indicate the facility physician approved the medications for Client #40.						
	Record review on 5/23/16 for Client #58 revealed:  - Admitted on 12/12/02 with diagnoses of Opioid Dependence.  - Medication approval form dated 11/20/15 that indicated approval of Phentermine, 37.5mg for weight loss.  - Consent signed by the client for the weight loss clinic to share medical information.  - There was no documentation to indicate coordination of care with the prescribing physician.						
	Record review on 5/25/16 for Client #68 revealed:  Admitted on 3/5/15 with diagnoses of Opioid						

Division of Health Service Regulation

Supplemental PORM APPROVED

Division of Health Service Regulation July 26, 2018 STATEMENT OF DEFICIENCIES (X2) MULTIPLE CONSTRUCTION (X1) PROVIDER/SUPPLIER/CLIA (X3) DATE SURVEY 12:11 P.M. AND PLAN OF CORRECTION IDENTIFICATION NUMBER: a. BUILDING: \_\_\_ COMPLETED B. WING MHL011246 05/26/2016 NAME OF PROVIDER OR SUPPLIER STREET ADDRESS, CITY, STATE, ZIP CODE **573 MERRIMON AVENUE** WESTERN CAROLINA TREATMENT CENTER ASHEVILLE, NC 28804 SUMMARY STATEMENT OF DEFICIENCIES (EACH (X4) ID PROVIDER'S PLAN OF CORRECTION (EACH ID DEFICIENCY MUST BE PRECEDED BY FULL PREFIX PREFIX CORRECTIVE ACTION SHOULD BE CROSS-COMPLETE REGULATORY OR LSC IDENTIFYING INFORMATION) TAG REFERENCED TO THE APPROPRIATE TAG DATE DEFICIENCY) V 233 Continued From page 3 V 233 Dependence. Nurse's note dated 5/28/15 which indicated Client #68 had a new medication, HCTZ (Hydrochlorothyazide-25mg, twice daily). The medication list indicated no medications. There was no documentation to indicate coordination of care with a prescribing physician. There was no documentation to indicate the facility physician approved the medications for Client #68. Record review on 5/25/16 for Client #69 revealed: Admitted on 3/3/16 with diagnoses of Opioid Use Disorder, Depression, and Hepatitis C. Intake Assessment completed on 2/17/16 by the Counselor indicated that Client #69 took Wellbutrin and Trileptal. The history and physical completed by the RN and counter signed by the physician indicated that Client #69 took Wellbutrin and Trileptal. There was no documentation to indicate coordination of care with a prescribing physician. There was no documentation to indicate the facility physician approved the medications for Client #69. Interview on 5/26/16 with Counselor #1 revealed: He confirmed that Client #69 reported medications at the time of the initial screening and indicated that he had not completed the coordination of care regarding the medications prescribed. Interview on 5/26/16 with Counselor #2 revealed: She had not seen the Nurse's note regarding the HCTZ for Client #68 until this date. Client #68 had not reported the medications to her. She confirmed that no coordination of care had been completed.

Supplemental #1
July 26, 2018 PRINTED: 06/07/2016
FORM APPROVED

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION    MHL011246   MHL011246   MHL011246     NAME OF PROVIDER OR SUPPLIER   STREET ADDRESS, CITY, STATE, ZIP CODE		E SURVEY MPLETED
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WESTERN CAROLINA TREATMENT CENTER  573 MERRIMON AVENUE  ASHEVILLE, NC 28804  (X4) ID PREFIX PREFIX TAG  SUMMARY STATEMENT OF DEFICIENCIES (BACH PREFIX REGULATORY OR LSC IDENTIFYING INFORMATION)  PROVIDER'S PLAN OF CORRECT CORRECTIVE ACTION SHOULD BY FULL PREFIX TAG PROVIDER'S PLAN OF CORRECT CORRECTIVE ACTION SHOULD BY FULL REFERENCED TO THE APPRODEFICIENCY)	05	/26/2016
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V 233 Continued From page 4 V 233	BE CROSS-	(X5) COMPLETE DATE
I E		
Interview on 5/23/16 with the Clinical Director revealed:  When a client was prescribed additional medications the counselor sent a "Coordination of Care" form to the prescribing doctor. That form is signed and returned. A "Medication Approval" form was then completed and signed by the facility physician.  Interview on 5/26/15 with the Director revealed:  When a client indicated that they had other prescribed medications the coordination of care form was sent to the prescribing physician. The physician then approved the medications upon the return of the coordination form.  The counselors facilitated coordination of care. If a client reported to a nurse that they were prescribed additional medications, the nurse would send the client to the counselor for completion of the coordination of care process.  The counselor for Client #58 indicated to her that the Coordination of Care forms had been sent but that the provider chose not to return the information.  Coordination of care had not been completed for the clients identified.  V 238 27G .3604 (E-K) Outpt. Opiod - Operations		
10A NCAC 27G .3604 OUTPATIENT OPIOD		
TREATMENT. OPERATIONS.  (e) The State Authority shall base program		
approval on the following criteria:  (1) compliance with all state and federal law and regulations;		
(2) compliance with all applicable standards of practice; (3) program structure for successful		

Division of Health Service Regulation

program structure for successful

STATE FORM

Supplemental PRINTED: 06/07/2016
Supplemental PRINTED: 06/07/2016 Division of Health Service Regulation July 26, 2018 STATEMENT OF DEFICIENCIES (X1) PROVIDER/SUPPLIER/CLIA (X2) MULTIPLE CONSTRUCTION (X3) DATE SURVEY 12:11 P.M. AND PLAN OF CORRECTION IDENTIFICATION NUMBER: COMPLETED A. BUILDING: B. WING-MHL011246 05/26/2016 NAME OF PROVIDER OR SUPPLIER STREET ADDRESS, CITY, STATE, ZIP CODE **573 MERRIMON AVENUE** WESTERN CAROLINA TREATMENT CENTER ASHEVILLE, NC 28804 SUMMARY STATEMENT OF DEFICIENCIES (EACH (X4) ID PROVIDER'S PLAN OF CORRECTION (EACH (X5) COMPLETE DEFICIENCY MUST BE PRECEDED BY FULL PREFIX PREFIX CORRECTIVE ACTION SHOULD BE CROSS-REGULATORY OR LSC IDENTIFYING INFORMATION) TAG TAG REFERENCED TO THE APPROPRIATE DATE DEFICIENCY) V 238 Continued From page 5 V 238 service delivery; and impact on the delivery of opioid treatment services in the applicable population. (f) Take-Home Eligibility. Any client in comprehensive maintenance treatment who requests unsupervised or take-home use of methadone or other medications approved for treatment of opioid addiction must meet the specified requirements for time in continuous treatment. The client must also meet all the requirements for continuous program compliance and must demonstrate such compliance during the specified time periods immediately preceding any level increase. In addition, during the first year of continuous treatment a patient must attend a minimum of two counseling sessions per month. After the first year and in all subsequent years of continuous treatment a patient must attend a minimum of one counseling session per month. (1)Levels of Eligibility are subject to the following conditions: (A) Level 1. During the first 90 days of continuous treatment, the take-home supply is limited to a single dose each week and the client shall ingest all other doses under supervision at the clinic: (B) Level 2. After a minimum of 90 days of continuous program compliance, a client may be granted for a maximum of three take-home doses and shall ingest all other doses under supervision at the clinic each week; (C) Level 3. After 180 days of continuous treatment and a minimum of 90 days of

(D)

continuous program compliance at level 2, a client may be granted for a maximum of four take-home doses and shall ingest all other doses

under supervision at the clinic each week;

Level 4. After 270 days of continuous

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Supplemental FORM APPROVED Division of Health Service Regulation July 26, 2018 STATEMENT OF DEFICIENCIES (X1) PROVIDER/SUPPLIER/CLIA (X2) MULTIPLE CONSTRUCTION (X3) DATE SURVEY AND PLAN OF CORRECTION 12:11 P.M. IDENTIFICATION NUMBER: A. BUILDING: COMPLETED B. WING MHL011246 05/26/2016 NAME OF PROVIDER OR SUPPLIER STREET ADDRESS, CITY, STATE, ZIP CODE **573 MERRIMON AVENUE** WESTERN CAROLINA TREATMENT CENTER ASHEVILLE, NC 28804 SUMMARY STATEMENT OF DEFICIENCIES (EACH (X4) ID PROVIDER'S PLAN OF CORRECTION (EACH ID (X5)DEFICIENCY MUST BE PRECEDED BY FULL PREFIX PREFIX CORRECTIVE ACTION SHOULD BE CROSS-COMPLETE REGULATORY OR LSC IDENTIFYING INFORMATION) TAG TAG REFERENCED TO THE APPROPRIATE DATE DEFICIENCY V 238 Continued From page 7 V 238 continuous treatment who is unable to conform to the applicable mandatory schedule because of exceptional circumstances such as illness, personal or family crisis, travel or other hardship may be permitted a temporarily reduced schedule by the State authority, provided she or he is also found to be responsible in handling opioid drugs. Except in instances involving a client with a verifiable physical disability, there is a maximum of 13 take-home doses allowable in any two-week period during the first two years of continuous treatment. A client who is unable to conform to the applicable mandatory schedule because of a verifiable physical disability may be permitted additional take-home eligibility by the State authority. Clients who are granted additional take-home eligibility due to a verifiable physical disability may be granted up to a maximum 30-day supply of take-home medication and shall make monthly clinic visits. Take-Home Dosages For Holidays: Take-home dosages of methadone or other medications approved for the treatment of opioid addiction shall be authorized by the facility

vision of Health Service Regulation **ATE FORM** 

above.

to the following:

(A)

physician on an individual client basis according

treatment) for each state holiday.

An additional one-day supply of methadone or other medications approved for the treatment of opioid addiction may be dispensed to each eligible client (regardless of time in

No more than a three-day supply of methadone or other medications approved for the treatment of opioid addiction may be dispensed to any eligible client because of holidays. This restriction shall not apply to clients who are receiving take-home medications at Level 4 or

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B. WING \_

Supplemental July 26, 2018

05/26/2016

NAME OF PROVIDER OR SUPPLIER

STREET ADDRESS, CITY, STATE, ZIP CODE

12:11 P.M.

### WESTERN CAROLINA TREATMENT CENTER

### **573 MERRIMON AVENUE**

ASHEVILLE, NC 28804				
(X4) ID	SUMMARY STATEMENT OF DEFICIENCIES (EACH	ID	PROVIDER'S PLAN OF CORRECTION (EACH	(X5)
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PREFIX TAG	DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	PREFIX TAG	CORRECTIVE ACTION SHOULD BE CROSS- REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
V 238	(g) Withdrawal From Medications For Use In Opioid Treatment. The risks and benefits of withdrawal from methadone or other medications approved for use in opioid treatment shall be discussed with each client at the initiation of treatment and annually thereafter.  (h) Random Testing. Random testing for alcohol and other drugs shall be conducted on each active opioid treatment client with a minimum of one random drug test each month of continuous treatment. Additionally, in two out of each three-month period of a client's continuous treatment episode, at least one random drug test will be observed by program staff. Drug testing is to include at least the following: opioids, methadone, cocaine, barbiturates, amphetamines, THC, benzodiazepines and alcohol. Alcohol testing results can be gathered by either urinalysis, breathalyzer or other alternate scientifically valid method.  (i) Client Discharge Restrictions. No client shall be discharged from the facility while physically dependent upon methadone or other medications approved for use in opioid treatment unless the client is provided the opportunity to detoxify from the drug.  (j) Dual Enrollment Prevention. All licensed outpatient opioid addiction treatment facilities	V 238		
	which dispense Methadone, Levo-Alpha-Acetyl-Methadol (LAAM) or any other pharmacological agent approved by the Food and Drug Administration for the treatment of opioid addiction subsequent to November 1, 1998, are required to participate in a computerized Central Registry or ensure that clients are not dually enrolled by means of direct contact or a list exchange with all opioid treatment programs within at least a 75-mile radius of the admitting program. Programs are also required to	*		

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(X2) MULTIPLE CONSTRUCTION 12:11 P.M. STATEMENT OF DEFICIENCIES PROVIDER/SUPPLIER/CLIA (X3) DATE SURVEY AND PLAN OF CORRECTION IDENTIFICATION NUMBER: COMPLETED A. BUILDING: B. WING MHL011246 05/26/2016 NAME OF PROVIDER OR SUPPLIER STREET ADDRESS, CITY, STATE, ZIP CODE **573 MERRIMON AVENUE** WESTERN CAROLINA TREATMENT CENTER ASHEVILLE, NC 28804 SUMMARY STATEMENT OF DEFICIENCIES (EACH PROVIDER'S PLAN OF CORRECTION (EACH (X4) ID DEFICIENCY MUST BE PRECEDED BY FULL CORRECTIVE ACTION SHOULD BE CROSS-PREFIX PREFIX COMPLETE REGULATORY OR LSC IDENTIFYING INFORMATION) REFERENCED TO THE APPROPRIATE TAG TAG DATE DEFICIENCY) V 238 Continued From page 9 V 238 participate in a computerized Capacity Management and Waiting List Management System as established by the North Carolina State Authority for Opioid Treatment. (k) Diversion Control Plan. Outpatient Addiction Opioid Treatment Programs in North Carolina are required to establish and maintain a diversion control plan as part of program operations and shall document the plan in their policies and procedures. A diversion control plan shall include the following elements: dual enrollment prevention measures that consist of client consents, and either program contacts, participation in the central registry or list exchanges; call-in's for bottle checks, bottle returns or solid dosage form call-in's: (3)call-in's for drug testing; drug testing results that include a (4) review of the levels of methadone or other medications approved for the treatment of opioid addiction; (5)client attendance minimums; and procedures to ensure that clients properly ingest medication. Plan of Correction: The Clinical Supervisor and Program This Rule is not met as evidenced by: Director will provide additional training Based on record reviews and interviews, the to all Counseling staff pertaining to facility failed to complete monthly counseling sessions affecting 16 of 70 audited clients (Client DHSR regulations for counseling. #15, Client #17, Client #19, Client #25, Client During the month of July, counselors #26, Client #27, Client #32, Client #43, Client will re-educate patients as to their #44, Client #50, Client #52, Client #59, Client monthly counseling requirements so #62, Client #63, Client #64 and Client #65). The that patients understands and share in findings are: the responsibility.

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	OF CORRECTION	(XI) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	i .	LE CONSTRUCTION 12:11 P.M.	(X3) DATE SURVEY COMPLETED
		MHL011246	B. WING	18032	05/26/2016
NAME OF	PROVIDER OR SUPPLIER	STREET AD	DRESS, CITY,	STATE, ZIP CODE	
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PREFIX TAG	DEFICIENCY MU	UST BE PRECEDED BY FULL SC IDENTIFYING INFORMATION)	PREFIX TAG	CORRECTIVE ACTION SHOULD BE CE REFERENCED TO THE APPROPRIA DEFICIENCY)	ROSS- COMPLETE
V 238	Continued From pa	ge 10	V 238	Continued from page 10:	
	Review on 5/23/16	of Client #15 's record		The Clinical Supervisor will also	
	revealed:	or Cheffit #15 s record		consistently continue auditing ea	
		3/17/16 with diagnosis of		counselor's caseload on a month	- 1
	Opioid Use Disorde			to ensure conformance and comp	·
	- Only I counseling	session in April on 4/18/16.		with DHSR regulations. The Cl	
	Review on 5/24/16	of Client #17 's record		Supervisor will work in collabor	
	revealed:	1/01/00		with Program Director to improve compliance tracking process so t	1
	Opioid Use Disorde	1/21/09 with diagnosis of		clinical team can be more proact	
		ssions in January 2016.		ensuring compliance with couns	
	D - :	6.00		requirements for patients each m	
	review on 5/24/16 (	of Client #19 's record		The state of the s	
		6/30/15 with diagnosis of		It will be the shared responsibility	ty of the
2	Opioid Use Disorde	r.		Clinical Supervisor & the Progra	- 1
		sions in January 2016. session in February on	. 38	Director to ensure that the facilit	y
	2/24/16.	session in reducity on		maintains compliance. Monitori	-
		session in March on 3/14/16.		be done on a monthly basis mini	mally.
		session in April on 4/8/16.			
	- Only 1 counseling	session in May on 5/20/16.			
	Review on 5/25/16 or revealed:	of Client #25 's record		G G	
1	- Admission date of	6/28/12 with diagnosis of			
	Opioid Use Disorder				
	- No counseling ses	sions in September 2015.	181		
3	revealed:	of Client #26 's record			
	Opioid Use Disorder				
		session in August on 8/24/15.			
		sions in September 2015. sions in October 2015.		180	
	Review on 5/25/16 or revealed:	of Client #27 's record		*	
		10/15/15 with diagnosis of			

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MHL011246

B. WING\_

05/26/2016

NAME OF PROVIDER OR SUPPLIER

STREET ADDRESS, CITY, STATE, ZIP CODE

### WESTERN CAROLINA TREATMENT CENTER

### **573 MERRIMON AVENUE**

	RN CAROLINA TREATMENT CENTER  ASHEVIL	LE, NC 2880	04	
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS- REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLET DATE
V 238	Continued From page 11	V 238		
	Opioid Use Disorder.			
	- No counseling sessions in November 2015.			
	Review on 5/26/16 of Client #32 's record		4	
	revealed: - Admission date of 6/11/15 with diagnosis of			
	Opioid Use Disorder.			1
	- Only 1 counseling session in November on 11/11/15.	1	ži	
	- Only 1 counseling session in January on 1/5/16.			1
	- Only 1 counseling session in March on 3/1/16.	Í		
	Review on 5/25/16 of Client #43 's record			
1	revealed: - Admission date of 5/17/07 with diagnosis of			
	Opioid Use Disorder.	e		
	<ul><li>No counseling sessions in September 2015.</li><li>No counseling sessions in January 2016.</li></ul>			
	Review on 5/25/16 of Client #44 's record			N I
1	revealed: - Admission date of 11/19/15 with diagnosis of	1	KS	1
1	Opioid Use Disorder.			ļ
	- No counseling sessions in January 2016.			
	Review on 5/24/16 of Client #50 's record	1		
	revealed: - Admission date of 3/5/15 with diagnosis of			
	Opioid Use Disorder.			
	- Only 1 counseling session in December on 12/9/15.			
	Review on 5/25/16 of Client #52 's record revealed:			1
	- Admission date of 8/6/15 with diagnosis of Opioid Use Disorder.			
1	Only 1 counseling session in April on 4/27/16.			1
	Review on 5/24/16 of Client #59 's record			
	revealed:			1

STATE FORM

NAME OF PROVIDER OR SUPPLIER

STREET ADDRESS, CITY, STATE, ZIP CODE

July 26, 2018

### WESTERN CAROLINA TREATMENT CENTER

### **573 MERRIMON AVENUE** ASHEVILLE, NC 28804

12:11 P.M.

	ASHEVILLE, NC 28804						
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS- REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE			
V 238	Continued From page 12	V 238					
	- Admission date of 11/1/12 with diagnosis of		46				
	Opioid Use Disorder.	2.					
	- No counseling sessions in November 2015.						
	Review on 5/23/16 of Client #62 's record						
	revealed:						
	- Admission date of 4/11/13 with diagnosis of Opioid Use Disorder.						
74	- No counseling sessions in October 2015.						
	Review on 5/24/16 of Client #63 's record		13	1 1			
	revealed:						
ļ	- Admission date of 8/13/15 with diagnosis of						
1	Opioid Use Disorder Only 1 counseling session in October on		28				
	10/6/15.						
	- Only 1 counseling session in November on 11/20/15.	12					
	- Only 1 counseling session in December on 12/14/15.						
	- Only 1 counseling session in February on 2/8/16						
	- Only 1 counseling session in March on 3/11/16.						
	Review on 5/24/16 of Client #64 's record revealed:			1			
	- Admission date of 3/12/15 with diagnosis of						
1	Opioid Use Disorder.			1			
	- Only 1 counseling session in October on 10/14/15.			1			
	- Only 1 counseling session in November on						
	11/23/15.						
	- Only 1 counseling session in December on 12/17/15.		8				
	Review on 5/26/16 of Client #65 's record						
91	revealed:						
	- Admission date of 3/3/16 with diagnosis of Opioid Use Disorder.		x-				
	- Only 1 counseling session in April on 4/4/16.						
				1			

ivision of Health Service Regulation **FATE FORM** 

SupplementaPRINTED: 06/07/2016 FORM APPROVED

Division of Health Service Regulation July 26, 2018 STATEMENT OF DEFICIENCIES (X1) PROVIDER/SUPPLIER/CLIA (X2) MULTIPLE CONSTRUCTION (X3) DATE SURVEY 12:11 P.M. AND PLAN OF CORRECTION IDENTIFICATION NUMBER: COMPLETED A. BUILDING: \_\_ B. WING MHL011246 05/26/2016 NAME OF PROVIDER OR SUPPLIER STREET ADDRESS, CITY, STATE, ZIP CODE **573 MERRIMON AVENUE** WESTERN CAROLINA TREATMENT CENTER ASHEVILLE, NC 28804 SUMMARY STATEMENT OF DEFICIENCIES (EACH PROVIDER'S PLAN OF CORRECTION (EACH PREFIX DEFICIENCY MUST BE PRECEDED BY FULL CORRECTIVE ACTION SHOULD BE CROSS-PREFIX COMPLETE REGULATORY OR LSC IDENTIFYING INFORMATION) TAG REFERENCED TO THE APPROPRIATE TAG DATE DEFICIENCY) V 238 Continued From page 13 V 238 Interview on 5/23/16 with the Clinical Director revealed: - "New clients and transfers have to come in for counseling two times a month for the first year. We try to see new clients weekly at first. After first year 1 counseling session per month is required but we like additional (counseling). " Interview on 5/26/16 with the Program Director revealed: - She acknowledged that some counseling sessions were out of compliance as 4 counselors left around the same time the end of 2015. - She was surprised so many were out of compliance. Planned to regularly remind counselors of the twice monthly requirements.

# WESTERN CAROLINA

TREATMENT CENTER, INC

June 6, 2017

Mental Health Licensure and Certification Section NC Division of Health Service Regulation 2718 Mail Service Center Raleigh, NC 27699-2718

Hmy B. Shunyer, MS, LCAS, CES

Please find enclosed the Plan of Correction prepared as a response to our Annual and Follow-Up Survey completed on 5/17/17.

If you need anything further, please feel free to contact me at 828-251-1478 extension 208.

Respectfully,

Amy B. Shroyer, MS, LCAS, CCS

Program Director

Division of Health Service Regulation					July 26, 201		APPROVEL
	IT OF DEFICIENCIES OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE A. BUILDING:	CONSTRUCTION	12:11 P.M.	(X3) DATE SURVEY COMPLETED	
35°		MHL011246	B. WING	100		R 05/1	R 7/2017
NAME OF PROVIDER OR SUPPLIER STREET A			DRESS, CITY, STA	ATE, ZIP CODE			
WESTER	RN CAROLINA TREAT	MENT CENTER 573 MERI	RIMON AVENU LE, NC 28804				
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	An annual and follo on May 17, 2017. [	w up survey was completed Deficiencies were cited.					
	category: 10A NCA	sed for the following service C 27G .3600 Outpatient The census at the time of the					
V 235	27G .3603 (A-C) O	utpt. Opiod Tx Staff	V 235			Ì	
	counselor or certifier to each 50 clients as on the staff of the fathis prescribed ratio individual who is certification area, then it in person, provided that certification requirer months from the date (b) Each facility shamember on duty train (1) drug abus (2) symptoms to drug addiction.  (c) Each direct care continuing education the following:  (1) nature of a (2) the withdrain (3) group and	and increment thereof shall be acility. If the facility falls below, and is unable to employ an artified because of the ified persons in the facility's may employ an uncertified at this employee meets the ments within a maximum of 26 the of employment. All have at least one staff ined in the following areas: the withdrawal symptoms; and the following areas: the staff member shall receive to include understanding of addiction; awal syndrome; family therapy; and diseases including HIV,					

vision of Health Service Regulation BORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

C48L11

Supplemental DE 05/26/2017 FORM APPROVED

Division of Health Service Regulation				July 26, 20	118		
	T OF DEFICIENCIES OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING: (X3) DATE COMP				
e e		MHL011246	B. WING R 05/17/2017				
NAME OF F	PROVIDER OR SUPPLIER	STREET AD	DRESS, CITY,	STATE, ZIP CODE			
		572 MED	RIMON AVE				
WESTER	N CAROLINA TREAT	MENIÇENIEK	LE, NC 288				
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V 235	Continued From pa	ge 1	V 235	Plan of Correction:			
	This Rule is not me Based on record refailed to ensure that member received trand group and family audited staff (Regis Practical Nurse, and are:  Review on 5/16/17 of Registered Nurse reflire date was 1 No documentat group and family the Review on 5/16/17 of Licensed Practical Nurse date was 1 No documentat group and family the Review on 5/16/17 of Counselor #2 revea Hire date was 1 No documentati group and family the Interview on 5/17/17 revealed:  Training in group been assigned as pobut as re-occurring to November.  The nurse shout training in withdrawas so.  Failure to composes an oversight.	et as evidenced by: view and interviews the facility it each direct care staff raining in withdrawal syndrome illy therapy effecting 3 of 4 tered Nurse, Licensed d Counselor #2). The findings  of the personnel record for the evealed: 2/28/15. ion of required training in erapy.  of the personnel record for the Nurse revealed: 2/3/16. ion of required training in erapy or withdrawal syndrome.  of the personnel record for led: 0/27/15. ion of required training in erapy.  of with the Program Director  p and family therapy had not art of the orientation training, trainings scheduled in  ld have completed the al syndrome but falled to do  lete the identified trainings	V ZSS	All employees were reminded Treatment Team Meeting on 5 the required ongoing trainings throughout the year.  Western Carolina Treatment Crevise orientation trainings to i group and family therapy. As needs seemed to take precedentime of last nursing hire, it has determined that newly hired er MUST complete all parts of or prior to beginning in their posi This will be monitored by Program Director, Director of Nursing a Clinical Supervisor going forw Additionally, Relias online trainwill be monitored for compliar employees on a quarterly basis will be done by Program Director Clinical Supervisor.	enter will nelude staffing ce at the been inployees ientation tions. gram ind/or eard.		
	Nursing needs t	ook precedence over training ng in alternatives to restrictive			*		

Supplement PRINTED: 05/26/2017

Division of Health Service Regulation			July 26, 2018					
	IT OF DEFICIENCIES OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:		CONSTRUCTION	12:11 P.M.	(X3) DATE	SURVEY LETED	
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MESTER		MENT CENTED 573 MER	RIMON AVENU	JE				
WESTER	RN CAROLINA TREAT	MENT CENTER ASHEVIL	LE, NC 28804	1				
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V 235	Continued From pa	ge 2	V 235					
	interventions was n	ot completed.						
V 238	27G .3604 (E-K) Ou	utpt. Opiod - Operations	V 238					
	TREATMENT. OPE  (e) The State Author approval on the folko (1) compliance law and regulations (2) compliance standards of practice (3) program is service delivery; and (4) impact on treatment services i (f) Take-Home Elig comprehensive mair requests unsupervisis methadone or other treatment of opioid a specified requirement treatment. The client requirements for company level increase. It is specified time proposed to an amount of the specified time proposed increase. It is specified to a minimum of month. After the first years of continuous attend a minimum of month.  (1) Levels of Effollowing conditions: (A) Level 1. Discontinuous treatment.	prity shall base program owing criteria: be with all state and federal crewith all applicable be; but the delivery of opioid on the applicable population. It is intended to the delivery of opioid on the applicable population. It is intended to the delivery of opioid on the applicable population. It is intended to the delivery of opioid on the applicable population. It is intended to the opioid of the delivery of opioid on the applicable population. It is intended to the opioid of the delivery of opioid of the opioid of the opioid of the opioid of the opioid opioi			Ope -			

shall ingest all other doses under supervision at

AND PLAN OF CORRECTION    MHL011246   DIAMON OF CORRECTION   DIAMON PLAN OF CORRECTION	Division of Health Service Regulation					oupplemen		APPROVED	1
NAME OF PROVIDER OR SUPPLIER  MHL011246  STREET ADDRESS, CITY, STATE_ZIP CODE  STAMERIMON AVENUE  STAMERIMON AVENUE  SAME OF PROVIDER OR SUPPLIER  WESTERN CARCUINA TREATMENT CENTER  SHEVILLE, NO 28804  CMI, ID  SUMMARY STATEMENT OF DEPOISMONS (ACCI)  REQUILATORY OR LIST DEMTIFYING INFORMATION)  PROVIDERS PLAN OF CORRECTION (EACH PREPARATION STATEMENT OF DEPOISMONS (ACCI)  TAG  CONTINUED TO THE APPROPRIATE  COMPLETE ONE  COMPLETE  TAG  CALL PROVIDERS PLAN OF CORRECTION (EACH PREPARATION SHOULD BE CROSS- REFERRINGED TO THE APPROPRIATE  COMPLETE ONE  COMPLETE  TAG  CALL PROVIDERS  COMPLETE TO THE APPROPRIATE  COMPLETE TO SUMMARY STATEMENT OF DEPOISMONS  REFERRINGED TO THE APPROPRIATE  COMPLETE ONE  COMPLETE  TO SUMMARY STATEMENT OF DEPOISMONS  REFERRINGED TO THE APPROPRIATE  COMPLETE  TAG  COMPLETE  TO METHOD  TAG  COMPLETE  TO METHOD  TO METHOD  PROVIDERS PLAN OF CORRECTION (EACH PROVIDERS  REFERRINGED TO THE APPROPRIATE  COMPLETE  TAG  COMPLETE  TO METHOD  TAG  PROVIDERS PLAN OF CORRECTION (EACH PROVIDERS  REFERRINGED TO THE APPROPRIATE  COMPLETE  TAG  COMPLETE  TO METHOD  PROVIDERS PLAN OF CORRECTION  PROVIDERS  REFERRINGED TO THE APPROPRIATE  COMPLETE  TAG  PROVIDERS  REFERRINGED TO THE APPROPRIATE  COMPLETE TO THE APPROPRIATE  TAG  PROVIDER	STATEMEN	IT OF DEFICIENCIES	(X1) PROVIDER/SUPPLIER/CLIA	L (X2) MULTIPLE CONSTRUCTION					-
MALE OF PROVIDER OR SUPPLIER  STREET ADDRICKS, CTV. STATE, ZIP CODE  STREET ADDRICKS, CTV. STATE, ZIP CODE  STAMERNIMON AVENUE  ASHEVILLE, NC. 28804  V. 238  WESTERN CAROLINA TREATMENT CENTER  SUMMARY STATEMENT OF DEPICIENCES (EACH DEPICIENCY MUST DE PRECEDE 8 Y RLT).  PREPIX TAGK  TAGK  Continued From page 3  the clinic;  (B) Level 2. After a minimum of 90 days of continuous program compliance, a client may be granted for a maximum of 190 days of continuous program compliance at level 2, a client may be granted for a maximum of flour take-home doses and shall ingest all other doses under supervision at the clinic each week;  (C) Level 4. After 270 days of continuous treatment and a minimum of 190 days of continuous program compliance at level 3, a client may be granted for a maximum of four take-home doses and shall ingest all other doses under supervision at the clinic each week;  (C) Level 6. After 270 days of continuous treatment and a minimum of 180 days of continuous program compliance at level 3, a client may be granted for a maximum of four take-home doses and shall ingest all other doses under supervision at the clinic each week;  (E) Level 5. After 364 days of continuous treatment and a minimum of 180 days of continuous program compliance, a client may be granted for a maximum of five doses under supervision at the clinic each week;  (E) Level 6. After 364 days of continuous treatment and a minimum of 180 days of continuous program compliance, a client may be granted for a maximum of 113 take-home doses and shall ingest at least one dose under supervision at the clinic each week;  (F) Level 7. After four years of continuous treatment and a minimum of one year of continuous program compliance, a client may be granted for a maximum of 13 take-home doses and shall ingest at least one dose under supervision at the clinic every 14 days; and  (G) Level 7. After four years of continuous treatment and a minimum of three years of continuous program compliance, a client may be granted for a maximum of 30 take-h	AND PLAN	OF CORRECTION	IDENTIFICATION NUMBER:	31					
MALE OF PROVIDER OR SUPPLIER  STREET ADDRICKS, CTV, STATE, ZIP CODE  STREET ADDRICKS, CTV, STATE, ZIP CODE  STATEST ADDRICKS, CTV, STATE, ZIP CODE  STATEST ADDRICKS, CTV, STATE, ZIP CODE  SUMMARY STATEMENT CENTER  SUMMARY STATEMENT OF DEPTICIENCES (EACH DEPTICIENCY MUST BE PRECEDED BY FULL IN C. 28804  V 238  Continued From page 3  the clinic;  (B) Level 2. After a minimum of 90 days of continuous program compliance, a client may be granted for a maximum of three take-home doses and shall ingest all other doses under supervision at the clinic each week;  (C) Level 3. After 180 days of continuous treatment and a minimum of 90 days of continuous program compliance at level 3, a client may be granted for a maximum of four take-home doses and shall ingest all other doses under supervision at the clinic each week;  (D) Level 4. After 270 days of continuous treatment and a minimum of 180 days of continuous program compliance at level 3, a client may be granted for a maximum of four take-home doses and shall ingest all other doses under supervision at the clinic each week;  (E) Level 5. After 364 days of continuous treatment and a minimum of 180 days of continuous program compliance, a client may be granted for a maximum of five dake-home doses and shall ingest all other doses under supervision at the clinic each week;  (E) Level 5. After 364 days of continuous treatment and a minimum of 180 days of continuous program compliance, a client may be granted for a maximum of 131 take-home doses and shall ingest at least one dose under supervision at the clinic each week;  (F) Level 6. After two years of continuous treatment and a minimum of one year of continuous program compliance, a client may be granted for a maximum of 131 take-home doses and shall ingest at least one dose under supervision at the clinic every 14 days; and  (G) Level 7. After four years of continuous treatment and a minimum of three years of continuous program compliance, a client may be granted for a maximum of 30 take-home doses and shall ingest at l	91			R				₹	
WESTERN CAROLINA TREATMENT CENTER  TAG  WESTERN CAROLINA TREATMENT CENTER  SIMMARY STATEMENT OF DEPICIALNO'S (ACH DEPICER)  RECULATORY OR ISO DEPICIENCY (WISTER PRECEDED BY FULL RECULATORY OR ISO DEPICIENCY)  V 238  Continued From page 3  the clinic;  (B) Level 2. After a minimum of 90 days of continuous program compliance, a client may be granted for a maximum of three take-home doses and shall ingest all other doses under supervision at the clinic each week;  (C) Level 3. After 180 days of continuous treatment and a minimum of 90 days of continuous program compliance at level 2, a client may be granted for a maximum of flour dake-home doses and shall ingest all other doses under supervision at the clinic each week;  (D) Level 4. After 270 days of continuous treatment and a minimum of 90 days of continuous program compliance at level 3, a client may be granted for a maximum of five take-home doses and shall ingest all other doses under supervision at the clinic each week;  (E) Level 5. After 364 days of continuous treatment and a minimum of 180 days of continuous program compliance, a client may be granted for a maximum of five take-home doses and shall ingest at least one dose under supervision at the clinic each week;  (F) Level 8. After 364 days of continuous treatment and a minimum of 180 days of continuous program compliance, a client may be granted for a maximum of 13 take-home doses and shall ingest at least one dose under supervision at the clinic every 14 days, and  (G) Level 7. After four years of continuous treatment and a minimum of 180 days of continuous program compliance, a client may be granted for a maximum of 30 take-home doses and shall ingest at least one dose under supervision at the clinic every 14 days, and (G) Criteria for Reducing, Losing and		4-2	MHL011246	B. WING		<del></del>	10		
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Supplement FORM APPROVED

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	or suspended for ex	ake-home eligibility is reduced vidence of recent drug abuse.					
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	within a 90-day peri	od shall have an immediate					
	reduction of eligibility	ty by one level of eligibility;					
		ho tests positive on three drug					
	screens within the	same 90-day period shall have					
	all take-home eligib	ility suspended; and					
	(C) The reins	tatement of take-home					
	eligibîlity shall be de	termined by each Outpatient					
Opioid Treatment Program.			5			1	
		s to Take-Home Eligibility: (A)					
		vo years of continuous					
		able to conform to the					
		ry schedule because of				1	
gatha	personal or family o	tances such as illness, risis, travel or other hardship					
	may be permitted a	temporarily reduced schedule				l l	
1	by the State authorit	ty, provided she or he is also				ŀ	
	found to be respons	sible in handling opioid drugs.					
	Except in instances	involving a client with a				1	
1	verifiable physical di	isability, there is a maximum				ļ:	
	of 13 take-home dos	ses allowable in any two-week					
		st two years of continuous	l				
1	treatment.		1				
		no is unable to conform to the	- 1				
	applicable mandatol	ry schedule because of a	1				
		sability may be permitted				4	
	authority Clients wi	e eligibility by the State				Ĺ	
		due to a verifiable physical					
		inted up to a maximum					
	30-day supply of tak	e-home medication and shall	į			1	
	make monthly clinic	visits.				1	
		e Dosages For Holidays:					
	Take-home dosages	of methadone or other					
Ì	medications approve	ed for the treatment of opioid				1	
	addiction shall be au	thorized by the facility					
	physician on an indi-	vidual client basis according					
1						1	1

Division of Health Service Regulation

Supplement PRINTED 05/26/2017

07.200.400		T			July 26, 201	8
AND PLAN	NT OF DEFICIENCIES I OF CORRECTION	(X1) PROVIDER/SUPPLIER/ IDENTIFICATION NUMB	DED: ( -,	FIPLE CONSTRUCTION NG:	12:11 P.M.	(X3) DATE SURVEY COMPLETED
000 1		MHL011246	B. WING		X	R 05/17/2017
NAME OF	PROVIDER OR SUPPLIER	٤	STREET ADDRESS, CIT	Y. STATE, ZIP CODE		00/17/2011
MEGTE		2	573 MERRIMON AV			
WESTE	RN CAROLINA TREAT	MENI CENIER	ASHEVILLE, NC 2			
(X4) ID PREFIX TAG			CH ID	PROVIDER'S I	PLAN OF CORRECTION (I ACTION SHOULD BE CR CED TO THE APPROPRIA DEFICIENCY)	OSS- COMPLETE
V 238	to the following:  (A) An addition methadone or other treatment of opioid to each eligible client treatment) for each (B) No more methadone or other treatment of opioid to any eligible client restriction shall not receiving take-home above.  (g) Withdrawal From Opioid Treatment. withdrawal from me approved for use in discussed with each treatment and annual (h) Random Testing and other drugs shall active opioid treatment and annual treatment. Additional treatment episode, a will be observed by to include at least the methadone, cocaine amphetamines, THO alcohol. Alcohol test by either urinalysis, is alternate scientificall (i) Client Discharge I be discharged from dependent upon me approved for use in client is provided the	nal one-day supply of a medications approved addiction may be dispent (regardless of time in state holiday, than a three-day supply medications approved addiction may be dispended to because of holidays, apply to clients who are medications at Level medications for Use The risks and benefits thad one or other medications for client at the initiation of ally thereafter.  G. Random testing for all be conducted on each each month of continuous at least one random draprogram staff. Drug te e following: opioids, a barbiturates, C, benzodiazepines and the program staff. Drug te e following: opioids, barbiturates, continuous at least one random draprogram staff. Drug te e following: opioids, barbiturates, continuous at least one random draprogram staff. Drug te e following: opioids, barbiturates, continuous at least one random draprogram staff. Drug te e following: opioids, barbiturates, continuous at least one random draprogram staff. Drug te e following: opioids, barbiturates, continuous at least one random draprogram staff. Drug te e following: opioids, barbiturates, continuous at least one random draprogram staff. Drug te e following: opioids, barbiturates, continuous at least one random draprogram staff. Drug te e following: opioids, op	ensed n  y of d for the ensed This e 4 or e In of cations be of alcohol ch um of nuous s ug test esting is d hered  shall cally cations s the			
	the drug.					

Division of Health Service Regulation

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	of Health Service Re	egulation	_		July 26, 20	FORM	TAPPROVED
	T OF DEFICIENCIES OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION A. BUILDING:		12:11 P.M.	(X3) DATE	E SURVEY PLETED
1/4 F 2 9 T		MHL011246	B. WING			R 05/17/2017	
NAME OF	PROVIDER OR SUPPLIER	STREET AD	DRESS, CITY, 9	STATE, ZIP CODE			
WESTER		570 MED	RIMON AVEN				
WESTER	RN CAROLINA TREATI	AICIAT CENTER	LE, NC 2880				
(X4) ID PREFIX TAG	DEFICIENCY ML	MENT OF DEFICIENCIES (EACH IST BE PRECEDED BY FULL SC IDENTIFYING INFORMATION)	ID PREFIX TAG	CORRECTIVE A	LAN OF CORRECTION ACTION SHOULD BE C ED TO THE APPROPRI DEFICIENCY)	ROSS-	(X5) COMPLETE DATE
V 238	Continued From page	ge 6	V 238				
	outpatient opioid ad which dispense Met Levo-Alpha-Acetyl-N pharmacological ago Drug Administration addiction subsequent required to participa Registry or ensure the enrolled by means of exchange with all opwithin at least a 75-r program. Programs participate in a comp Management and W System as establish State Authority for O (k) Diversion Control Opioid Treatment Programs to establish control plan as part of shall document the procedures. A diversion to program contacts, participate in a comp of the following element (1) dual enrolling that consist of client program contacts, paregistry or list exchange (2) call-in's for or solid dosage form (3) call-in's for drug testing review of the levels of medications approve addiction; (5) client attentions	Methadol (LAAM) or any other ent approved by the Food and for the treatment of opioid in to November 1, 1998, are te in a computerized Central nat clients are not dually of direct contact or a list project in a computerized Central nat clients are not dually of direct contact or a list project in a computerized Central nat clients are not dually of direct contact or a list project in a contact or a list project in a contact or a list project in a contact in the central nation in the central nation in the central nation in a contact					

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Division	of Health Service Re	egulation	July 26, 2018					
	IT OF DEFICIENCIES OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	1	LE CONSTRUCTION	12:11 P.M.	(X3) DATE	SURVEY	
		MHL011246	B. WING			05/1	₹ 1 <b>7/2017</b>	
NAME OF	PROVIDER OR SUPPLIER	STREET AD	DRESS, CITY,	STATE, ZIP CODE			313- 2	
WESTER	RN CAROLINA TREAT	WENT CENTER	RIMON AVEI					
(X4) ID PREFIX TAG	DEFICIENCY MU	MENT OF DEFICIENCIES (EACH IST BE PRECEDED BY FULL SC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S CORRECTIVE	PLAN OF CORRECTION ( EACTION SHOULD BE CR CED TO THE APPROPRIA DEFICIENCY)	ROSS-	(X5) COMPLETE DATE	
V 238	This Rule is not me Based on record refailed to ensure that #20, #23, #28, #30) counseling sessions that 3 of 37 audited the required monthl to ensure that their procedures to ensure Buprenorphine prop The findings are:  Finding #1:  Record review on 5/Admitted on 10/Opioid Dependence There was only documented for the Record review on 5/Admitted on 10/Opioid Addiction.  There was only documented for the Record review on 5/Admitted on 11/Opioid Addiction, Os Arthritis, and Hepatin There was no condocumented for the Record review on 5/Admitted on 9/2	et as evidenced by: view and interviews the facility 5 of 37 audited clients (#4, received the required 8 each month, failed to ensure clients (#23, #34, #35) had by urine drug screen, and failed diversion control plan included re that clients who received rerly ingested their medication.  (16/17 for Client #4 revealed: 27/16 with a diagnosis of cone counseling session month of February 2017.  17/17 for Client #20 revealed: 13/16 with a diagnosis of one counseling session month of December 2016.  16/17 for Client #23 revealed: 19/15 with a diagnoses of steo-arthritis, Rheumatoid	V 238	Director will procurseling staff regarding country patients in treated and carolina Treated Clinical Supersmonthly audit censure compliance regulations.  It will be the short Clinical Supers Clinical Supers Clinical Supers Clinical Supers Clinical Supers Director to ensure maintains comprequirements.	visor and Program rovide reminder to f of DHSR regula seling requiremer tment at Western	e her o  y of the ram y seling		

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DIVISIO	of Health Service Re			July 26, 201	8
	NT OF DEFICIENCIES I OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:		LE CONSTRUCTION 12:11 P.M.	(X3) DATE SURVEY COMPLETED
		MHL011246	B. WING		R 05/17/2017
NAME OF	PROVIDER OR SUPPLIER	STREET AD	DRESS, CITY,	STATE, ZIP CODE	1 00/11/2011
WESTER	RN CAROLINA TREAT	MENT CENTED 573 MERF	RIMON AVE	NUE	
		ASHEVIL	LE, NC 288	04	
(X4) ID PREFIX TAG	DEFICIENCY MU	IENT OF DEFICIENCIES (EACH IST BE PRECEDED BY FULL BC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION ( CORRECTIVE ACTION SHOULD BE CF REFERENCED TO THE APPROPRIA DEFICIENCY)	ROSS- COMPLETE
V 238	Continued From page	ge 8	V 238	Finding #2:	
	Disorder, Anxiety Di	sorder, and Depression.		Clinical Supervisor and Program	1
	There was only	one counseling session		Director will provide reminder to	
documented for the months of November 2016,			counseling staff of DHSR regula	itions	
	January 2017, and F	-ebruary 2017.		regarding urine drug screen	
	Record review on 5/	16/17 for Client #30 revealed:		requirements for patients in treat	ment at
		16/11 with a diagnosis of		Western Carolina Treatment Cer	iter.
	Opioid Dependence				
	There was no co	ounseling session		Clinical Supervisor will continue	e her
	documented for the	month of November 2016.		monthly audit of each caseload to	0
	Finding #2;			ensure compliance with DHSR regulations.	
Record review on 5/16/17 for Client #23 revealed: Admitted on 11/19/15 with a diagnoses of Opioid Addiction, Osteo-arthritis, Rheumatoid Arthritis, and Hepatitis C. No urine drug screen conducted in December 2016.  It will be the shared responsibility Clinical Supervisor and the Prog		ram y drug			
	Admitted on 4/14	17/17 for Client #34 revealed: 4/16 with a diagnoses of and Post-Traumatic Stress		be done on a monthly basis at minimum.	, ******
		reen conducted in March		Finding #3:	
	2017.			Director of Nursing, Program Dir	rector
	Admitted on 8/2/ Opiate Use Disorder	17/17 for Client #35 revealed: 16 with a diagnoses of reens conducted in		and Regional Director of Operati participated in Conference Call Wednesday, 5/24/17 with purpos developing Buprenorphine Policy	ons e of
	Contamber 2010 are	AM - 1 0047			, and

vision of Health Service Regulation

revealed:

Finding #3:

Observations on 5/17/17 at 9:50AM and 10:05AM

At 9:50AM after being dosed at the window

of two clients being dosed with Buprenorphine

the client sat in a chair across the room against

September 2016 and March 2017.

protocols for dosing. Policy/protocols

DON and PD will have meeting with

observed dosing with buprenorphine

nurses of Western Carolina Treatment

Center to review expectations regarding

will be effective as of 6/1/17.

products on Wed., 6/14/17.

Supplementain#b: 05/26/2017

July 26, 2018 FORMAPPROVED Division of Health Service Regulation STATEMENT OF DEFICIENCIES (X1) PROVIDER/SUPPLIER/CLIA 12:11 P.M. (X2) MULTIPLE CONSTRUCTION (X3) DATE SURVEY AND PLAN OF CORRECTION IDENTIFICATION NUMBER: COMPLETED A. BUILDING: R MHL011246 B. WING 05/17/2017 NAME OF PROVIDER OR SUPPLIER STREET ADDRESS, CITY, STATE, ZIP CODE **573 MERRIMON AVENUE** WESTERN CAROLINA TREATMENT CENTER ASHEVILLE, NC 28804 SUMMARY STATEMENT OF DEFICIENCIES (EACH (X4) ID PROVIDER'S PLAN OF CORRECTION (EACH ID (X5) COMPLETE PRÉFIX DEFICIENCY MUST BE PRECEDED BY FULL PREFIX CORRECTIVE ACTION SHOULD BE CROSS-TAG REGULATORY OR LSC IDENTIFYING INFORMATION) TAG REFERENCED TO THE APPROPRIATE DATE DEFICIENCY) V 238 Continued from previous page: Continued From page 9 V 238 Director of Nursing and Program the wall between 2 of the dosing windows. While Director will be responsible monitoring that client sat for her Buprenorphine to dissolve, compliance. Monitoring will be the LPN was on the computer and dosing other clients. The LPN glanced at the client ongoing. An assessment will be made approximately 1 time per minute for 4 minutes of any additional training/protocol while the client sat across from the window. needs within 30 days of implementation When the client returned to the window to have of new practices. her mouth checked it was approximately 30 seconds before the LPN looked up in response. While this client was sitting in the chair waiting for Failure of pharmacy staff to comply the Buprenorphine to dissolve the nurses were with new practices for observing observed to be on the computers reading buprenorphine product dosing will material unrelated to their work and to be chatting result in performance management. among themselves. At 10:05AM a second client was dosed Buprenorphine at the window. The client went and sat in a chair across from the window while the medication dissolved. The LPN dosed 2 other clients and worked on the computer for approximately 3 minutes before looking at the client sitting in the chair. During both observations the clients were not consistently monitored and could have easily diverted the Buprenorphine. Review on 5/17/17 of the Diversion Control Plan revealed: Observed Dosing section indicated "Only one patient is permitted at the dosing window at one time ... The Dispensing Nurse ... pours the medication, dilutes it with water or another beverage, and then observes the patient swallowing the medication. After taking the dose of medication, the patient is dispensed plain water and must drink that while observed. Before leaving the dosing window, the patient is required to speak to the nurse assuring that medication has not been "cheeked" ..."

The plan did not specify procedures that nurses followed for the dosing of Buprenorphine

Supplemental FORM APPROVED

	OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	1	12:11 P.M.	(X3) DATE SURVEY COMPLETED
	(175)14	MHL011246	B. WING		R 05/17/2017
NAME OF I	PROVIDER OR SUPPLIER	STREET ADI	DRESS, CITY,	STATE, ZIP CODE	
WEOTE		572 MEDE	NON AVE		
WESTER	RN CAROLINA TREAT	MENTCENTER	LE, NC 288		
(X4) ID		MENT OF DEFICIENCIES (EACH	ID	PROVIDER'S PLAN OF CORRECTION	(EACH (X5)
PREFIX TAG		IST BE PRECEDED BY FULL SC IDENTIFYING INFORMATION)	PREFIX TAG	CORRECTIVE ACTION SHOULD BE CF REFERENCED TO THE APPROPRIA DEFICIENCY)	ROSS- COMPLETE
V 238	Continued From pa	ge 10	V 238		
	medication dissolve required before leav Interview on 5/17/17 revealed:	ervation of the client while the dand additional monitoring ving the clinic.  7 with the Director of Nursing by for the dosing of			
	Buprenorphine.	· ·			
	Protocol for Bur	prenorphine was that the client			
	places the medication	on under their tongue and sits			
		ing window while the d. Nurses were to monitor to			
		was not putting their hand to			
		with their purse or using a			
	tissue to divert their	medication.			
8	The client then	would return to the dosing			
		to check to ensure the			
	medication was diss	nately 10 minutes for the			
	Buprenorphine to dis			İ	
		e busy at the window so			
	constant supervision	n was "a bit of an issue".			
		ave that one client stand at			.*!
	the window for 10 m	inutes." as made to have clients sit			
		sing window and make the			
		d to monitor the client.			
	Interview on 5/17/17 revealed:	with the Program Director			
		iews were being conducted			
		ounseling requirements were			
1		nseling requirement had not			
	improved with some				20
		rs may not have consistently ork and some counselors			4
		ork and some counselors organizational skills required			
	to track casework du				¥.
		was not created correctly the			į.

Supplementa FORM APPROVED

Division of Health Service Regulation July 26, 2018 STATEMENT OF DEFICIENCIES (X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: (X2) MULTIPLE CONSTRUCTION (X3) DATE SURVEY COMPLETED AND PLAN OF CORRECTION 12:11 P.M. A. BUILDING: \_\_\_\_ R MHL011246 B. WING\_ 05/17/2017 NAME OF PROVIDER OR SUPPLIER STREET ADDRESS, CITY, STATE, ZIP CODE **573 MERRIMON AVENUE** WESTERN CAROLINA TREATMENT CENTED

WESTERN CAROLINA TREATMENT CENTER  5/3 MERRIMON AVENUE								
SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRÉCEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS- REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE					
Continued From page 11	V 238							
computer system may not have flagged a urine drug screen due.  She acknowledged that the Diversion control plan lacked the clinic protocols for Buprenorphine dosing.  This deficiency constitutes a re-cited deficiency and must be corrected within 30 days.		a						
27E .0107 Client Rights - Training on Alt to Rest. Int.	V 536							
10A NCAC 27E .0107 TRAINING ON ALTERNATIVES TO RESTRICTIVE INTERVENTIONS  (a) Facilities shall implement policies and practices that emphasize the use of alternatives to restrictive interventions.  (b) Prior to providing services to people with disabilities, staff including service providers, employees, students or volunteers, shall demonstrate competence by successfully completing training in communication skills and other strategies for creating an environment in which the likelihood of imminent danger of abuse or injury to a person with disabilities or others or property damage is prevented.  (c) Provider agencies shall establish training based on state competencies, monitor for internal compliance and demonstrate they acted on data gathered.  (d) The training shall be competency-based, include measurable learning objectives, measurable testing (written and by observation of behavior) on those objectives and measurable methods to determine passing or failing the course.  (e) Formal refresher training must be completed by each service provider periodically (minimum								
	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)  Continued From page 11  computer system may not have flagged a urine drug screen due.  She acknowledged that the Diversion control plan lacked the clinic protocols for Buprenorphine dosing.  This deficiency constitutes a re-cited deficiency and must be corrected within 30 days.  27E .0107 Client Rights - Training on Alt to Rest. Int.  10A NCAC 27E .0107 TRAINING ON ALTERNATIVES TO RESTRICTIVE INTERVENTIONS  (a) Facilities shall implement policies and practices that emphasize the use of alternatives to restrictive interventions.  (b) Prior to providing services to people with disabilities, staff including service providers, employees, students or volunteers, shall demonstrate competence by successfully completing training in communication skills and other strategies for creating an environment in which the likelihood of imminent danger of abuse or injury to a person with disabilities or others or property damage is prevented.  (c) Provider agencies shall establish training based on state competencies, monitor for internal compliance and demonstrate they acted on data gathered.  (d) The training shall be competency-based, include measurable learning objectives, measurable testing (written and by observation of behavior) on those objectives and measurable methods to determine passing or failing the course.  (e) Formal refresher training must be completed	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL TAG  Continued From page 11  Continued From page 11  Computer system may not have flagged a urine drug screen due.  She acknowledged that the Diversion control plan lacked the clinic protocols for Buprenorphine dosing.  This deficiency constitutes a re-cited deficiency and must be corrected within 30 days.  27E .0107 Client Rights - Training on Alt to Rest. Int.  10A NCAC 27E .0107 TRAINING ON ALTERNATIVES TO RESTRICTIVE INTERVENTIONS  (a) Facilities shall implement policies and practices that emphasize the use of alternatives to restrictive interventions.  (b) Prior to providing services to people with disabilities, staff including service providers, employees, students or volunteers, shall demonstrate competence by successfully completing training in communication skills and other strategies for creating an environment in which the likelihood of imminent danger of abuse or injury to a person with disabilities or others or property damage is prevented.  (c) Provider agencies shall establish training based on state competencies, monitor for internal compliance and demonstrate they acted on data gathered.  (d) The training shall be competency-based, include measurable learning objectives, measurable testing (written and by observation of behavior) on those objectives and measurable methods to determine passing or failing the course.  (e) Formal refresher training must be completed	SUMMAY STATEMENT OF DEFICIENCIES (EACH DEFOCIDED BY FULL REGULATORY OR LSC DENTIFYING INFORMATION)  SUMMAY STATEMENT OF DEFICIENCES (EACH DEFOCIDENCY MUST BE PRECUED BY FULL REGULATORY OR LSC DENTIFYING INFORMATION)  Continued From page 11  computer system may not have flagged a urine drug screen due.  She acknowledged that the Diversion control plan lacked the clinic protocols for Buprenorphine dosing.  This deficiency constitutes a re-cited deficiency and must be corrected within 30 days.  27E .0107 Client Rights - Training on Alt to Rest. Int.  10A NCAC 27E .0107 TRAINING ON ALTERNATIVES TO RESTRICTIVE INTERNATIVES to providers, employees, students or volunteers, shall demonstrate competence by successfully completing training in communication skills and other strategies for creating an environment in which the likelihood of imminent danger of abuse or injury to a person with disabilities or others or property damage is prevented. (C) Provider agencies shall establish training based on state competencies, monitor for internal compliance and demonstrate they acted on data gathered.  (d) The training shall be competency-based, include measurable learning objectives, measurable learning objectives, measurable testing (written and by observation of behavior) on those objectives and measurable methods to determine passing or failing the course.					

PRINTED: 05/26/2017 Supplemental ORM APPROVED

MHL011246  MHL011246  STREET ADDRESS, CITY, STATE, ZIP CODE  STARRIMON AVENUE  STREET ADDRESS, CITY, STATE, ZIP CODE  STARRIMON AVENUE  ST		NT OF DEFICIENCIES OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPL	E CONSTRUCTION	12:11 P.M.	(X3) DATE	
NAME OF PROVIDER OR SUPPLIER  STREET ADDRESS, CITY, STATE, ZIP CODE  STREET NOT STATE, ZIP CODE  STREET NOT STATE, ZIP CODE  SUMMARY STATEMENT OF DEFOIGHAGES (EACH DEFOIGHAGE) BY FULL IN C. 28804  V 530  Continued From page 12  annually).  (f) Content of the training that the service provider wishes to employ must be approved by the Division of MH/DD/SAS pursuant to Paragraph (g) of this Rule.  (g) Staff shall demonstrate competence in the following ore areas:  (1) Knowledge and understanding of the people being served;  (2) recognizing the effect of internal and external stressors that may affect people with disabilities;  (4) strategies for building positive relationalizational factors that may affect people with disabilities;  (6) recognizing guitural, environmental and organizational factors that may affect people with disabilities;  (7) skills in assessing individual risk for escalating pehavior;  (8) communication strategies for defusing and de-escalating potentially dangerous behavior;  (9) positive behavioral supports (providing means for people with disabilities; which directly oppose or replace behaviors which are unsafe).  (h) Service providers shall maintain documentation of initial and refresher training for at least three years.  (1) Documentation shall include:  (A) who participated in the training and the	AND I LAN	OF COUNTECTION	IDENTIFICATION NUMBER.	A. BUILDING	·	COMP	COMPLETED	
MML011246  SIMMO OF PROVIDER OR SUPPLIER  STREET ADDRESS, CITY, STATE, ZIP CODE  SUMMARY STATEMENT OF DESTGEMENTS (EACH) DEFICIENCY MUST BE PRECEDED BY FULL IN C. 28804  V 536  Continued From page 12 annually).  (f) Content of the training that the service provider wishes to employ must be approved by the Division of MH/DD/SAS pursuant to Paragraph (g) of this Rule.  (g) Staff shall demonstrate competence in the following ore areas:  (1) knowledge and understanding of the people being served; (2) recognizing the effect of internal and external stressors that may affect people with disabilities; (5) recognizing outbral, environmental and organizational factors that may affect people with disabilities; (6) recognizing the importance of and assisting in the person's involvement in making decisions about their life; (7) skills in assessing individual risk for escalating pehavior; (8) communication strategies for defusing and de-escalating potentially dangerous behavior; (9) positive behavioral supports (providing means for people with disabilities which directly oppose or replace behaviors which are unsafe). (1) Documentation shall include: (4) Who participated in the training and the	14/85						F	2
WESTERN CAROLINA TREATMENT CENTER  **STREET ADDRESS, CITY, STATE, ZIP CODE**  **STREET MON AVENUE**  **STREET ADDRESS, CITY, STATE, ZIP CODE**  **STREET ADDRESS, CITY, STATE, ZIP CABLA  **PRESTATE CORRECTION TEXAL  **PRESTATE  **PRESTATE CORRECTION TEXAL  **PRESTATE  **PRESTATE  **PRESTATE  **PROVIDE RIPLA CORRECTION TEXAL  **PRESTATE  **PRESTATE  **PROVIDE RIPLA CORRECTION TEXAL  **PRESTATE  **PRESTA			MHL011246	B. WING		*		
WESTERN CAROLINA TREATMENT CENTER  IXA ID PREFIX TAG  SUMMARY STATEMENT OF DEFICIENCES (SEACH TAG)  PREFIX TAG  Continued From page 12  annually).  (f) Content of the training that the service provider wishes to employ must be approved by the Division of MH/DD/SAS pursuant to Paragraph (g) of this Rule.  (g) Staff shall demonstrate competence in the following core areas:  (1) Knowledge and understanding of the people being served;  (2) recognizing the effect of internal and external stressors that may affect people with disabilities;  (4) strategies for building positive relationships with persons with disabilities;  (6) recognizing the importance of and assisting in the person's involvement in making decisions about their life;  (7) skills in assessing individual risk for escalating behavior; (8) communication strategies for defusing and de-escalating potentially dangerous behavior; and  (9) positive behavioral supports (providing means for people with disabilities to choose activities which directly oppose or replace behaviors which are unsafe),  (h) Service providers shall maintain documentation of initial and refresher training for at least three years.  (1) Documentation shall include:  (A) who participated in the training and the	NAME OF F	PROVIDER OR SUPPLIER	STREET ADI	DRESS CITY S	STATE ZID CODE			
V 536   Summary StrateMent of perpensions (SACH)   PREFIX TAGE   PREPICIENCY MUST BE PRECEDED BY PILLY PREFIX TAGE   PREPICIENCY MUST BE PRECEDED BY PILLY PREFIX TAGE   PREPICIENCY MUST BE PRECEDED BY PILLY PREFIX TAGE   PREPICIENCY ACTION SHOULD BE CROSS-REFERENCED FOR PREFIX TAGE   PREPICIENCY			572 MCDD					
SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRESEDED BY PILL REGULATORY OR LSC IDENTIFYING INFORMATION)   PREFIX TAG   PROVIDER'S PLAN OF CORRECTIVE ACTION MOULD BE CROSS-SO CORRECTIVE ACTION MOUNT ACTION MOU	WESTER	₹N CAROLINA TREATI	MENICENIER					
PREFIX TAG  DEFICIENCY MUST BE PRECEDED BY PULL TAG  REGULATORY OR USG IDENTIFYING INFORMATION)  V 536  Continued From page 12  annually),  (f) Content of the training that the service provider wishes to employ must be approved by the Division of MH/DD/SAS pursuant to Paragraph (g) of this Rule.  (g) Staff shall demonstrate competence in the following core areas:  (1) knowledge and understanding of the people being served;  (2) recognizing the effect of internal and external stressors that may affect people with disabilities;  (3) recognizing the persons with disabilities;  (4) strategies for building positive relationships with persons with disabilities;  (5) recognizing cultural, environmental and organizational factors that may affect people with disabilities;  (6) recognizing the importance of and assisting in the person's involvement in making decisions about their life;  (7) skills in assessing individual risk for escalating potentially dangerous behavior; and  (9) positive behavioral supports (providing means for people with disabilities to choose activities which directly oppose or replace behaviors which are unsafe),  (h) Service providers shall maintain documentation of initial and refresher training for at least three years.  (1) Documentation of initial and refresher training and the	(X4) ID	SUMMARY STATEM				PLAN OF CORRECTION /	EACH	045
annually).  (f) Content of the training that the service provider wishes to employ must be approved by the Division of MH/DD/SAS pursuant to Paragraph (g) of this Rule.  (g) Staff shall demonstrate competence in the following core areas:  (1) Knowledge and understanding of the people being served;  (2) recognizing and interpreting human behavior;  (3) recognizing the effect of internal and external stressors that may affect people with disabilities;  (4) strategies for building positive relationships with persons with disabilities;  (5) recognizing cultural, environmental and organizational factors that may affect people with disabilities;  (6) recognizing the importance of and assisting in the person's involvement in making decisions about their life;  (7) skills in assessing individual risk for escalating behavior;  (8) communication strategies for defusing and de-escalating potentially dangerous behavior; and  (9) positive behavioral supports (providing means for people with disabilities to choose activities which directly oppose or replace behaviors which are unsafe).  (h) Service providers shall maintain documentation of initial and refresher training for at least three years.  (1) Documentation of initial and refresher training and the	PREFIX	DEFICIENCY MU	IST BE PRECEDED BY FULL	PREFIX	CORRECTIVE	ACTION SHOULD BE CR ED TO THE APPROPRIA	loss-	COMPLETE
(f) Content of the training that the service provider wishes to employ must be approved by the Division of MH/DD/SAS pursuant to Paragraph (g) of this Rule.  (g) Staff shall demonstrate competence in the following core areas:  (1) Knowledge and understanding of the people being served;  (2) recognizing and interpreting human behavior;  (3) recognizing the effect of internal and external stressors that may affect people with disabilities;  (4) strategies for building positive relationships with persons with disabilities;  (5) recognizing cultural, environmental and organizational factors that may affect people with disabilities;  (6) recognizing the importance of and assisting in the person's involvement in making decisions about their life;  (7) skills in assessing individual risk for escalating behavior;  (8) communication strategies for defusing and de-escalating potentially dangerous behavior; and  (9) positive behavioral supports (providing means for people with disabilities to choose activities which directly oppose or replace behaviors which hare unsafe).  (h) Service providers shall maintain documentation of initial and refresher training for at least three years.  (1) Documentation of initial and refresher training and the	V 536	Continued From page	ge 12	V 536				
(B) when and where they attended; and		annually).  (f) Content of the tr. provider wishes to e the Division of MH/E Paragraph (g) of this (g) Staff shall demote following core areas (1) knowledge people being served (2) recognizin behavior;  (3) recognizin external stressors the disabilities;  (4) strategies relationships with personalizational factor disabilities;  (6) recognizin organizational factor disabilities;  (6) recognizin assisting in the personalization about their (7) skills in as escalating behavior;  (8) communication de-escalating personal de-escalating personal (g) positive bemeans for people with activities which direct behaviors which are (h) Service provider documentation of initiat least three years.  (1) Document (A) who particicoutcomes (pass/fail)	raining that the service employ must be approved by DD/SAS pursuant to sexual Rule.  Instrate competence in the sexual and understanding of the direct of internal and that may affect people with for building positive ersons with disabilities; and cultural, environmental and rest that may affect people with the general and that may affect people with the general and the importance of and the importance of and the importance of and the involvement in making or life; the sessing individual risk for the involvement in the session of the importance of the importance of the involvement in making or life; the involvement in making or life; the involvement in	V 536				

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V 536	review/request this (i) Instructor Qualif Requirements: (1) Trainers is by scoring 100% or aimed at preventing need for restrictive (2) Trainers is by scoring a passing instructor training p (3) The training competency-based objectives, measured objectives, measured objectives, measured objectives, measured by the Carlot of ailling the course. (4) The contest of approved by the Direct of Subparagraph (i) (5) Acceptable shall include but are (A) understand (B) methods course; (C) methods performance; and (D) document (G) Trainers is teaching a training reducing and eliminal interventions at leasure review by the coach (7) Trainers is aimed at preventing need for restrictive annually.	ion of MH/DD/SAS may documentation at any time. Fications and Training shall demonstrate competence in testing in a training program g, reducing and eliminating the interventions. Shall demonstrate competence in grade on testing in an rogram. In an	V 536		

Division of Health Service Regulation

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	Service providers slof initial and refresh least three years.  (1) Docur (A) who particoutcomes (pass/fail (B) when and (C) instructor (2) The Divisirequest and review (k) Qualifications of (1) Coaches strequirements as a tropical (2) Coaches street course which is (3) Coaches scompetence by comtrain-the-trainer instructions.	where attended; and 's name. on of MH/DD/SAS may this documentation any time. f Coaches: shall meet all preparation rainer. shall teach at least three times being coached. shall demonstrate apletion of coaching or					
	failed to ensure that (Licensed Practical I alternatives to restrict findings are: Review on 5/16/17 of Licensed Practical N Hire date was 5	view and interview the facility 1 of 4 sampled staff Nurse-LPN) had training in ctive interventions. The of the personnel record for the lurse revealed: /23/16. on of required training in		Center are curre trained/certified Director will m annually at the reviews for con the standard rel	stern Carolina Tr	ogram records nce ce with ing in	

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Division of Health Service Regulation July 26, 2018						WO WITHOUTED	
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V 536	Interview on 5/17/1 revealed: The LPN did not Nursing needs needs and the train interventions was not the last NCI (Notraining was conductive nurses hire date	7 with the Program Director of complete her orientation. took precedence over training ling in alternatives to restrictive	V 536				

ivision of Health Service Regulation TATE FORM

# WESTERN CAROLINA

TREATMENT CENTER, INC

June 6, 2018

Mental Health Licensure and Certification Section NC Division of Health Service Regulation 2718 Mail Service Center Raleigh, NC 27699-2718

Please find enclosed the Plan or Correction prepared as a response to our Annual and Follow-Up Survey completed on 5/10/18.

If you need anything further, please feel free to contact me at 828-251-1478 extension 208.

my B. Shrayer, MS, CCAS, CCS

Respectfully,

Amy B. Shroyer, MS, LCAS, CCS

**Program Director** 

Western Carolina Treatment Center
MHL # 011-246
Plan of Correction
Survey completed May 10, 2018

#### V109

27G .0203 Privileging/Training Professionals

Western Carolina Treatment Center completed in-service staff training on Wednesday, May 30, 2018 which covered core skills, including technical knowledge, cultural awareness, analytical skills, interpersonal skills, and particularly communication skills, decision making skills and clinical judgement skills. For those staff members that were not present, this material was covered with them the following day, May 31, 2018.

As issues arise that demonstrate a professional is lacking any of the core skills, immediate increase in supervision will be provided by their direct supervisor.

Specifically related to Counselor #1, a plan of performance management (written coaching) has been delivered. It includes expectations regarding having her filing current by June 30, 2018 and maintaining it going forward as well as increased weekly supervision with either the program director or clinical supervisor that focuses on decision making abilities, communication skills & clinical judgment. Additionally, during employee coaching conversation, she was reoriented to existing policies, procedures and processes that she had failed to utilize which contributed to the issue. Examples include Western Carolina Treatment Center's Records Policy and Communication Between Service Providers Policy as well as functions of the Substance Abuse Counselor job description.

The Program Director, Director of Nursing and Clinical Supervisor will be responsible for monitoring this issue to ensure similar things do not happen again. Monitoring will take place at least every 6 months (at the time of annual review and 6 month follow up) to ensure competency of all professionals. However, monitoring will be an ongoing process.

#### V233

27G .3601 Outpatient Opioid Treatment - Scope

Western Carolina Treatment Center reviewed every patient chart so as to identify patients considered medically at-risk. Medically at risk, included but was not limited to, patients with cardiac issues, respiratory issues, patients with possible drug-drug interactions or those identified by their provider or our Medical Director as in need of follow up steps. The review of those records was conducted by Program Director, Clinical Supervisor, Director of Nursing, & Health & Safety Officer. If a patient was identified as medically at risk, a permanent flag was placed in the EMR system to alert staff to that. If there were any follow-up steps identified as necessary (i.e., updated Coordination of Care, EKG testing, Medical Director office visits), those items were initiated with patient as well.

For any new admission, Western Carolina Treatment Center will document in their physical chart as well as our EMR (via a flag) the status of any medical issues and any additional follow up that might be required.

July 26, 2018 12:11 P.M.

When Medical Records are received from an outside provider, they will be immediately placed in Medical Records box located in front office. They will remain there for review and/or documentation by either a member of the medical team, Program Director or Clinical Supervisor. When records are reviewed, they will be initialed in top right corner so recipient of records knows they have been reviewed. A "Medical Records Receipt" note will be entered into EMR as well. The purpose of this is to aid in effective decision making regarding a patient's medical status, ensuring adequate communication across disciplines and to ensure highest quality clinical care. If there is any further communication that needs to take place with patient's provider, a member of medical team, Clinical Supervisor or Program Director will initiate that.

Western Carolina Treatment Center has implemented the following practices as part of our process for ensuring accuracy and adequate communication regarding decisions made during follow up visits with Medical Director:

- A workstation was purchased along with two chairs to allow for room to be reconfigured. This allows for Director of Nursing and Program Director to address any documentation that needs to occur in EMR system while Dr. Nash conducts visit with the patient. The workstation houses the computer, telephone and close access to the copier/printer. If MD gives an order, they are immediately typed into EMR system and able to signed immediately. For every follow-up step he requests, they are documented in EMR accordingly (i.e., follow up EKG's, follow up MD visits, Coordination of Care updates, etc.).
- Program Director and/or Director of Nursing will ensure that if either of them are unavailable to be a participant in medical appointments of patients with Medical Director, that a proxy sits in their place for the duration of the appointment and any applicable follow up steps are documented/noted in EMR.
- During appointments with Medical Director, any follow up steps, documentation, etc. will be immediately placed in EMR.
- Any documentation generated by Medical Director regarding a patient will be reviewed by attendees of follow up appointment and will be copied & forwarded to medical staff as well as returning the original copy to the patient's chart (which resides with the counselor).

The above items will be monitored by Program Director, Clinical Supervisor and Director of Nursing. Monitoring will be ongoing.

Western Carolina Treatment Center will begin regular Quality Records Reviews of each counselor's caseload on a quarterly basis. At a minimum, at least 5% of each counselor's charts will be reviewed quarterly to ensure that we are operating within regulatory requirements and implementing directives given regarding patient care.

This will be monitored by Clinical Supervisor and Program Director. It will be monitored on an ongoing basis.

Amy B. Shuyer, MS, legels LEAS, Leg

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July 26, 2018 FORM APPROVED

12:11 P.M. STATEMENT OF DEFICIENCIES (X1) PROVIDER/SUPPLIER/CLIA (X2) MULTIPLE CONSTRUCTION (X3) DATE SURVEY AND PLAN OF CORRECTION IDENTIFICATION NUMBER: COMPLETED A. BUILDING: R B. WING MHL011-246 05/10/2018 NAME OF PROVIDER OR SUPPLIER STREET ADDRESS, CITY, STATE, ZIP CODE **573 MERRIMON AVENUE** WESTERN CAROLINA TREATMENT CENTER ASHEVILLE, NC 28804 SUMMARY STATEMENT OF DEFICIENCIES PROVIDER'S PLAN OF CORRECTION (X4) ID (EACH DEFICIENCY MUST BE PRECEDED BY FULL PREFIX PREFIX (EACH CORRECTIVE ACTION SHOULD BE COMPLETE REGULATORY OR LSC IDENTIFYING INFORMATION) TAG CROSS-REFERENCED TO THE APPROPRIATE DATE TAG DEFICIENCY) V 000 INITIAL COMMENTS V 000 An annual and follow up survey was completed on 5/10/18. Deficiencies were cited. This facility is licensed for the following service category: 10A NCAC 27G .3600 Outpatient Opioid Treatment. The census at the time of the survey was 632. V 109 27G .0203 Privileging/Training Professionals V 109 10A NCAC 27G .0203 COMPETENCIES OF QUALIFIED PROFESSIONALS AND ASSOCIATE PROFESSIONALS (a) There shall be no privileging requirements for qualified professionals or associate professionals. (b) Qualified professionals and associate professionals shall demonstrate knowledge, skills and abilities required by the population served. (c) At such time as a competency-based employment system is established by rulemaking, then qualified professionals and associate professionals shall demonstrate competence. (d) Competence shall be demonstrated by exhibiting core skills including: technical knowledge; (2) cultural awareness; (3) analytical skills: (4) decision-making; (5) interpersonal skills: (6) communication skills; and (7) clinical skills. (e) Qualified professionals as specified in 10A NCAC 27G .0104 (18)(a) are deemed to have met the requirements of the competency-based employment system in the State Plan for MH/DD/SAS. (f) The governing body for each facility shall develop and implement policies and procedures for the initiation of an individualized supervision Division of Health Service Regulation TITLE

Division of Health Service Regulation

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

(X6) DATE

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If continuation sheet 1 of 18

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	(g) The associate p supervised by a qua population served for	ch associate profession professional shall be alified professional with or the period of time 104 of this Subchapte	th the	٠	•		
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	audited staff (Couns	views and interviews selor #1) failed to den nd abilities required by	nonstrate				
	Counselor #1 revea -Date of hire was 4/ -BSW (Bachelor of		t criteria	9			
	11/2017-5/2018 for -No documentation had contacted the P to address any char -No documentation had communication	to indicate that Couns CP (Primary Care Ph	selor #1 nysician) selor #1 ector or	14			
	-She was not working know who may have appointment that Cli DirectorShe indicated that we (Electrocardiogram)	with Counselor #1 reving on 12/7/17. She die been involved in the ient #27 had with the when the EKG was sent from the Prician) she put it in her	id not Hedical	5 <b>.</b> €3		Sel .	

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Division of Health Service Regulation

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If continuation sheet 3 of 18

Division	of Health Service Re	egulation		12:11 P.M.		
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		Scope (V233) for a Type A1 nust be corrected within 23				
∨ 233	provides periodic se individual an opport changes in his lifest other medications a treatment in conjun	501 SCOPE opioid treatment facility ervices designed to offer the tunity to effect constructive or approved for use in opioid action with the provision of	V 233	K		
	for use in opioid treat detoxification and recopioid dependent in (c) For the purpose and other medicatic treatment shall be a doses for a period recommend of the complete of	d other medications approved eatment are also tools in the rehabilitation process of an individual. The endication of detoxification, methadone ons approved for use in opioid administered in decreasing not to exceed 180 days. With a history of being inted to an opioid drug for at the admission to the service, her medications approved for ment may also be used in ment. In these cases, her medications approved for ment may be administered or as of 180 days and shall be able and clinically established				
		s and record review the facility				

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July 26, 2018 FORM APPROVED

12:11 P.M. (X2) MULTIPLE CONSTRUCTION (X3) DATE SURVEY STATEMENT OF DEFICIENCIES (X1) PROVIDER/SUPPLIER/CLIA AND PLAN OF CORRECTION COMPLETED IDENTIFICATION NUMBER: A. BUILDING: R B. WING 05/10/2018 MHL011-246 STREET ADDRESS, CITY, STATE, ZIP CODE NAME OF PROVIDER OR SUPPLIER **573 MERRIMON AVENUE** WESTERN CAROLINA TREATMENT CENTER ASHEVILLE, NC 28804 SUMMARY STATEMENT OF DEFICIENCIES PROVIDER'S PLAN OF CORRECTION ID (X5) COMPLETE (X4) ID PREFIX (EACH DEFICIENCY MUST BE PRECEDED BY FULL PREFIX (EACH CORRECTIVE ACTION SHOULD BE REGULATORY OR LSC IDENTIFYING INFORMATION) CROSS-REFERENCED TO THE APPROPRIATE DATE TAG TAG DEFICIENCY) V 233 V 233 Continued From page 4 failed to provide services designed to affect constructive changes in the client's lifestyle by using methadone in conjunction with the provision of rehabilitation and medical services affecting 1 of 32 sampled clients (#27). The findings are: Cross reference: 10A NCAC 27G .0203 Competencies of Qualified Professionals and Associate Professionals (V109) Based on record reviews and interviews 1 of 4 audited staff (Counselor #1) failed to demonstrate knowledge, skills and abilities required by the population served. Record review on 5/8/18 for Client #27 revealed: -Admitted on 5/1/17 with diagnoses of Opioid Dependence, Diabetes, and Neuropathy. -Age 51. -Methadone ordered at dose of 150mg on 5/25/17. -Additional medications prescribed included Aspirin 81mg, daily; Atorvastatin Calcium 20mg (high cholesterol), daily; Amitriptyline 75mg (insomnia/depression), one at bedtime; Neurontin 300mg (Neuropathy), 1 three times daily; Metformin 1000mg (Diabetes), 1 twice daily; Levemir, 20 units in the morning/25 units in the evening (Diabetes); Lisinopril 2.5mg (high blood pressure), one daily; and Doxycycline Monohydrate 100mg (antibiotic), one daily. Review on 5/8/18 of medical documentation obtained from the Primary Care Physician (PCP) revealed: -EKG (Electrocardiogram) dated 11/8/17 indicated QTc (measure of time between start of the Q wave and end of the T wave in the heart's electrical system) at 458ms (milliseconds) ..."unconfirmed interpretation ...long QT interval ...borderline ECG (Electrocardiogram) ..."

Division of Health Service Regulation

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July 26, 2018 PRINTED: 05/23/2018 12:11 P.M. FORM APPROVED

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V 233			V 233				
	-Physician's order for dated 11/8/17 indical Methadone to 120m possible Torsades (polymorphic ventricus) -Physician's order for dated 11/15/17 indical prolongation. This is medication (Methadorication (Methador	orm signed by the PCP and ated "Please decrease ag every day or less to avoid French word- specific form of ular tachycardia)."  orm signed by the PCP and cated "EKG shows QT intervalis a side effect of your done). (This can lead to V. iillation)). Please decrease e."  If ECG Report dated 11/22/17 cility for Client #27 revealed: to 465ms. conducted until 5/9/18 (during if the plan of protection).  If medical notes from Client #27 revealed: eet dated 12/7/17 indicated in MTD (methadone)=150/day, ated) neg FHX (family history)has been rec. creased dose of MTDRec yline if approved by PCP,					
	MTD to improve pai			20			
		esting documented.					
17.0	administration recor Client #27 revealed never reduced and v day.	the MARs (medication ds) dated 12/2017-5/2018 for that the Methadone dose was was maintained at 150mg per					
	Interview on 5/9/18	with Client #27 revealed:					

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V 233	-He had taken Meth His current dose of -His PCP had preschis sleep disturbance -He was seen by his an EKG conducted for him to consider -In early December met with him and di EKG results. The Matter stop taking the Amitiprescribed. He tapin Amitriptyline and hat the medication by Jehe had not seen the December.  Interview on 5/9/18 -The only thing she outside medical procare to let them knot to request informating prescribed.  -Typically in appoint Director he wrote at a copy for the pharm went into the client counselor. The nurnecessary in the co-she was not working-she could not remendes written by the lower Methadone do-she returned to worthere was no furth	madone on and off since 1996. Methadone was 150mg. cribed Amitriptyline to help with be. Is PCP in November and had. His PCP asked at that time a lower dose of methadone. The clinic Medical Director scussed his medications and Medical Director asked him to triptyline that had been ered himself off the ad completely stopped taking anuary 2018. The clinic Medical Director since with Counselor #1 revealed: does with the PCP or another vider is the coordination of the about the Methadone and on about other medications.  The methadone is the medical morder, then the nurse made macy record and the original record maintained by the se would put any "flags" mputer system.  The more if she saw the medical pose.  The or 12/8/17.  The coordination with the PCP terns expressed regarding	V 233			
	-She had no further	consultation with nursing staff address recommendations				

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**July 26, 201**8 RINTED: 05/23/2018 **12:11 P.M.** FORM APPROVED

Division of Health Service Regulation (X1) PROVIDER/SUPPLIER/CLIA STATEMENT OF DEFICIENCIES (X2) MULTIPLE CONSTRUCTION (X3) DATE SURVEY AND PLAN OF CORRECTION IDENTIFICATION NUMBER: COMPLETED A. BUILDING: R B. WING MHL011-246 05/10/2018 NAME OF PROVIDER OR SUPPLIER STREET ADDRESS, CITY, STATE, ZIP CODE **573 MERRIMON AVENUE** WESTERN CAROLINA TREATMENT CENTER ASHEVILLE, NC 28804 SUMMARY STATEMENT OF DEFICIENCIES PROVIDER'S PLAN OF CORRECTION (X4) ID (X5)(EACH DEFICIENCY MUST BE PRECEDED BY FULL COMPLETE PREFIX (EACH CORRECTIVE ACTION SHOULD BE PREFIX TAG REGULATORY OR LSC IDENTIFYING INFORMATION) TAG CROSS-REFERENCED TO THE APPROPRIATE DATE DEFICIENCY) V 233 Continued From page 7 V 233 Interview on 5/9/18 with the Director of Nursing revealed: -For all appointments with the Medical Director she was in attendance as well as the assigned counselor and the Program Director. -During the appointment the Medical Director reviewed the medical chart, looked at medication and addressed any issues raised by the staff or client. As a result the Medical Director wrote a medical note or physician's order which was given to her. She copied and kept a copy for the' pharmacy record and gave the original to the Counselor. She reviewed the orders and signed off and then set any flags in the computer system. On 12/7/17 when the Medical Director met with Client #27 she and the Program Director were conducting an interview with a new Nurse and neither of them attended the appointment. -She did not receive the medical note written on that date by the Medical Director. A copy of the medical note dated 12/7/17 was not in the pharmacy record. -Follow up contact should have been attempted with the PCP to discuss discontinuation of the Amitriptyline. If she had seen his recommendation she would have asked the Medical Director to try a lower Methadone dose and would have scheduled a follow up EKG. Interview on 5/8/17 with the Clinical Director revealed: -It was standard practice for a Counselor to accompany their client to any appointments with the Medical Director. Typically the Counselor made a copy of any medical note and gave to the nurses for the pharmacy record. -Counselor #1 called in sick on 12/7/17 and did not attend the appointment that Client #27 had with the Medical Director.

Supplementa #1
PRINTED: 05/23/2018
July 26, 2018 FORM APPROVED

Division of Health Service Regulation **12:11 P.M.** (X3) DATE SURVEY (X1) PROVIDER/SUPPLIER/CLIA (X2) MULTIPLE CONSTRUCTION STATEMENT OF DEFICIENCIES

AND PLAN OF CORRECTION IDENTIFICATION NUMBER:		A. BUILDING	:	COMP	LETED	
		MHL011-246	B. WING		05/1	₹  0/2018
NAME OF	PROVIDER OR SUPPLIER	STREET AL	INDESS CITY	STATE, ZIP CODE		
NAME OF	THOUBER ON SOI FEILIN		RIMON AVEN			
WESTER	RN CAROLINA TREAT	MENT CENTER	LE, NC 2880			
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V 233	Continued From pa	ge 8	V 233			
	,	-	1			
		al note written by the Medical was placed in Counselor #1's				
		not aware of who put the	1			
		mail box. There was no copy				
		I note for the pharmacy				
	record.					
	-The medical note v	vritten on 12/7/17 was located				
		e survey). It had been placed	1			
		at was to be filed. When		24		
		ided in the DHSR (Division of				
		gulation) survey sample, the properties for any documents that				
	needed to be includ					
		rsing (DON) and the Program	1			
	Director (PD) also a		1			
		12/7/17 the DON and the PD				
	were interviewing a	new nurse and were not in	i			
	the medical appoint					
		as no system in place for				
		dical staff to participate in				
		he Medical Director in the	1			
	-There was no follow	DON or assigned Counselor.				
		ade by the Medical Director				
	on 12/7/17.	ado by the modifical Empore.			i	
					8	
		3 and 5/10/18 with the Medical	8 .			
	Director revealed:			- ×		
ļ	began if the QTc rea	r men was 450. Real concern				
		heart disease, and Methadone				
		T interval. He indicated that				
		also prolong the QT interval.		* <sub>0</sub>	j	
	-The QTc for Client	#27 was 15 milliseconds	. 1	2		
		al persons. If the QT interval			i	
		window of chaos" was longer		*		
ł		of chaos" ventricular				1
i	fibrillation could occ	ur. light increased risk" for				
į	ventricular fibrillation					
	TOTALISMISE HISTINGUOL	44	1 1			. 1

July 26, 2018 ORM APPROVED

Division of Health Service Regulation 12:11 P.M. STATEMENT OF DEFICIENCIES (X1) PROVIDER/SUPPLIER/CLIA (X2) MULTIPLE CONSTRUCTION (X3) DATE SURVEY AND PLAN OF CORRECTION IDENTIFICATION NUMBER: COMPLETED A. BUILDING: R B. WING\_ 05/10/2018 MHL011-246 NAME OF PROVIDER OR SUPPLIER STREET ADDRESS, CITY, STATE, ZIP CODE **573 MERRIMON AVENUE** WESTERN CAROLINA TREATMENT CENTER ASHEVILLE, NC 28804 SUMMARY STATEMENT OF DEFICIENCIES PROVIDER'S PLAN OF CORRECTION (X4) JD (X5)COMPLETE (EACH DEFICIENCY MUST BE PRECEDED BY FULL PREFIX (EACH CORRECTIVE ACTION SHOULD BE PRÉFIX REGULATORY OR LSC IDENTIFYING INFORMATION) CROSS-REFERENCED TO THE APPROPRIATE DATE TAG TAG DEFICIENCY) V 233 V 233 | Continued From page 9 -He stated that Ventricular Fibrillation is fatal. -As a clinic they had not demonstrated that 150mg of Methadone was the best dose for Client He indicated that it would have been harmful to , abruptly reduce Client #27's dose from 150 mg to 120 mg, but "the PCP was right to ask for a reduction in the dose." -A reduction in the Methadone dose could have been safer or less safe, "there were risks on both sides", but they needed to have investigated what was going on with Client #27 in order to determine the best dose. -He indicated that since 12/7/17 the QT could have increased further for Client #27 or it could have decreased in that timeframe. They were "guilty of not delivering on a series of actions." -They should have tried to reduce the dose. He did not know why that wasn't done. -He had no idea if the Amitriptyline had been reduced. -He had not had any further contact with Client #27. -"I know nothing since 12/7/17." -"This was a screw up." -"We need to learn from this." Review on 12/9/18 of the Plan of Protection completed and signed by the Program Director revealed: What immediate action will the facility take to ensure the safety of the consumers in your care? Describe your plans to make sure this happens? "Western Carolina Treatment Center has already taken the following steps in regards to patient

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identified:

-On 5/8/18, patient had session with [Evening Counselor, LCAS] to check in on status of current meds and his interpretation of how he is doing

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PRINTED: 05/23/2018 12:11 P.M. FORM APPROVED

Division of Health Service Regulation STATEMENT OF DEFICIENCIES (X1) PROVIDER/SUPPLIER/CLIA (X3) DATE SURVEY (X2) MULTIPLE CONSTRUCTION AND PLAN OF CORRECTION IDENTIFICATION NUMBER: COMPLETED A. BUILDING: R B. WING. MHL011-246 05/10/2018 NAME OF PROVIDER OR SUPPLIER STREET ADDRESS, CITY, STATE, ZIP CODE **573 MERRIMON AVENUE** WESTERN CAROLINA TREATMENT CENTER ASHEVILLE, NC 28804 SUMMARY STATEMENT OF DEFICIENCIES PROVIDER'S PLAN OF CORRECTION (X5) COMPLETE (EACH DEFICIENCY MUST BE PRECEDED BY FULL (EACH CORRECTIVE ACTION SHOULD BE PRÉFIX PREFIX DATE REGULATORY OR LSC IDENTIFYING INFORMATION) CROSS-REFERENCED TO THE APPROPRIATE TAG TAG DEFICIENCY) V 233 V 233 Continued From page 10 medically. Documentation was created and made part of patient record. -5/9/18, patient received EKG completed on-site prior to dosing. -Patient is scheduled to see Medical Director for follow up visit on 5/17/18 @ 10:00 a.m. -Director of Nursing will initiate further coordination of care with patient's medical provider to continue dialogue around medical recommendations. -Patient has been flagged for monthly EKG's for the next 6 months." "Western Carolina Treatment Center will take the following steps in regards to all the patients within our care: -We will begin a process for identifying medically at risk patients (active patients who have been in treatment already) that includes a review of the Medical Section of each patient's chart. Medically at risk may include, but is not limited to, patients with cardiac issues, respiratory issues, patients with possible drug-drug interactions, or those identified by either their provider or our Medical Director as in need of follow up steps. The Medical Director of Western Carolina Treatment Center will determine medically at risk patients. This review will be completed by Program Director, Clinical Supervisor, Director of Nursing, or Health & Safety Officer. This will begin immediately. If a patient is identified as medically at risk, a permanent flag will be placed on them utilizing our EMR system. -On all new admissions, we will document in their physical chart as well as our EMR system (via a flag) the status of their medical issues. -Upon receipt of any Medical Records from an outside provider, they will be placed in Medical

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Records box for review and/or documentation by a member of the medical team, Program Director

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STATEMEN	IT OF DEFICIENCIES OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:		E CONSTRUCTION 12:11 P.M.	(X3) DATE SURVEY COMPLETED
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V 233	Continued From pa	ige 11	V 233		
	or Clinical Supervis to aid in effective de patient's medical st communication acre the highest quality of -Program Director a ensure that if they a participant in medic with Medical Director place for the duration applicable follow up in EMRDuring appointment follow up steps, doc immediately placed -Any documentation Director regarding a forwarded to medic	cor. The purpose of this will be ecision making regarding a latus, ensuring adequate loss disciplines and to ensure clinical care.  and/or Director of Nursing will are unavailable to be a later appointments of patients for that a proxy sits in their lon of the appointment and any losteps are noted/documented lots with Medical Director, any cumentation, etc. will be in EMR.  In generated by Medical a patient will be copied and al staff."			
	following steps in reprofessional lacking making, communication the counselor is particular patient, a management (writte and will be delivered and will b	g competency in decision ation and clinical skills: identified responsible for this plan of performance en coaching) has been writtened. Helor will be required to y supervision sessions with ector or Clinical Supervisor. If focus on increasing ille monitoring clinical regards to patients on			

Division of Health Service Regulation

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Division of Health Service Regulation							
STATEMEN	NT OF DEFICIENCIES OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPI A. BUILDING	LE CONSTRUCTION 12:11 P.M.	(Y9) DALE	SURVEY	
MHL011-246			B. WING R 05/10/2018				
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WESTER	RN CAROLINA TREAT	MENT CENTER 1	RIMON AVEI LE, NC 2881				
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V 233	Continued From pa	ge 12	V 233				
	This training will be -If issues arise that lacking any of the coin supervision will be Client #27 was presaddition to his Meth medical conditions. Primary Care Physicabout the Methador stressed his concer Client #1 was at incifibrillation if he conti 150mg per day. He reduction in dose. A conducted by the faresult, the Medical Ediscontinuation of at Client #1, a follow us Methadone dose for reduction. The only recommendations who was a conducted by the farecommendations to medically safe at his further testing, evaluation conducted by the farecommendations to medically safe at his further testing, evaluation to reduce that could have been constitutes a Type Aneglect and must be An administrative per lift the violation is not additional administration.	provided by 5/31/18, demonstrate professional is ore skills, immediate increase e provided by supervisor."  scribed multiple medications in adone for co-occurring In November 2017 his cian communicated concerns ne dosage at 150mg. He in in writing to the facility that reased risk for ventricular inued to take Methadone at strongly recommended a When a follow up EKG test cility revealed an even higher. Director recommended the nother medication taken by p EKG, and evaluation of the changes or possible copy of those medical vent unread and unaddressed 5 months. During that time one dose remained at y failed to follow medical or ensure Client #27 remained a dosage of Methadone. No lation or consultation was cility during the 5 month at the risk for a cardiac event in fatal. This deficiency is a rule violation for serious a corrected within 23 days, an ative penalty of \$500.00 per for each day the facility is out					
23		•					

July 26, 2018 FORM APPROVED

12:11 P.M. STATEMENT OF DEFICIENCIES (X1) PROVIDER/SUPPLIER/GLIA (X3) DATE SURVEY (X2) MULTIPLE CONSTRUCTION AND PLAN OF CORRECTION IDENTIFICATION NUMBER: A. BUILDING: \_ R B. WING MHL011-246 05/10/2018 NAME OF PROVIDER OR SUPPLIER STREET ADDRESS, CITY, STATE, ZIP CODE **573 MERRIMON AVENUE** WESTERN CAROLINA TREATMENT CENTER ASHEVILLE, NC 28804 SUMMARY STATEMENT OF DEFICIENCIES PROVIDER'S PLAN OF CORRECTION (X5) COMPLETE (X4) ID (EACH DEFICIENCY MUST BE PRECEDED BY FULL (EACH CORRECTIVE ACTION SHOULD BE PREFIX PREFIX REGULATORY OR LSC IDENTIFYING INFORMATION) DATE TAG CROSS-REFERENCED TO THE APPROPRIATE TAG DEFICIENCY) V 536 Continued From page 13 V 536 27E .0107 Client Rights - Training on Alt to Rest. V 536 Int. 10A NCAC 27E .0107 TRAINING ON ALTERNATIVES TO RESTRICTIVE INTERVENTIONS (a) Facilities shall implement policies and practices that emphasize the use of alternatives to restrictive interventions. (b) Prior to providing services to people with disabilities, staff including service providers, employees, students or volunteers, shall demonstrate competence by successfully completing training in communication skills and other strategies for creating an environment in which the likelihood of imminent danger of abuse. or injury to a person with disabilities or others or property damage is prevented. (c) Provider agencies shall establish training based on state competencies, monitor for internal compliance and demonstrate they acted on data gathered. (d) The training shall be competency-based, include measurable learning objectives. measurable testing (written and by observation of behavior) on those objectives and measurable methods to determine passing or failing the course. (e) Formal refresher training must be completed by each service provider periodically (minimum annually). (f) Content of the training that the service provider wishes to employ must be approved by the Division of MH/DD/SAS pursuant to Paragraph (g) of this Rule. (g) Staff shall demonstrate competence in the following core areas: knowledge and understanding of the people being served;

Division of Health Service Regulation								
STATEMENT OF DEFICIENCIES (X1) PROVIDER/SUPPLIER/CLIA AND PLAN OF CORRECTION IDENTIFICATION NUMBER:			E CONSTRUCTION	12:11 P.M.	(X3) DATE COMP	SURVEY LETED		
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WESTER	RN CAROLINA TREAT	MENT CENTER		RIMON AVEI LE, NC 288				
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V 536	behavior; (3) recognizing external stressors to disabilities; (4) strategies relationships with possibilities; (5) recognizing organizational factor disabilities; (6) recognizing assisting in the persodecisions about the	ng and interpreting has an are effect of interpreting the effect of interpreting that may affect people for building positive ersons with disabiliting cultural, environments that may affect people in the importance of son's involvement in life; essessing individual representation strategies for botentially dangerous environmentally include: in the training it where they attended in the training in of MH/DD/SAS is documentation at a fications and Training thall demonstrate contesting in a training reducing and elimination and	nal and ole with elies; nental and elevith fand making risk for defusing shehavior; (providing loose lice) raining for gland the ed; and may time. gland the program inating the	V 536				
	(∠) trainers s	mail demonstrate co	лирекепсе					

NAME OF PROVIDER OR SUPPLIER  WESTERN CAROLINA TREATMENT CENTER  (X4) ID PREFIX TAG  PREFIX TAG  COntinued From page 15  by scoring a passing grade on testing in an	R 95/10/2018 (X5) COMPLETE DATE
NAME OF PROVIDER OR SUPPLIER  WESTERN CAROLINA TREATMENT CENTER  (X4) ID PREFIX TAG REGULATORY OR LSC IDENTIFYING INFORMATION)  V 536 Continued From page 15  STREET ADDRESS, CITY, STATE, ZIP CODE  573 MERRIMON AVENUE ASHEVILLE, NC 28804  ID PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)  V 536	(X5) COMPLETE
WESTERN CAROLINA TREATMENT CENTER  573 MERRIMON AVENUE ASHEVILLE, NC 28804  (X4) ID PREFIX TAG  SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)  V 536  Continued From page 15  V 536	COMPLETE
(X4) ID PREFIX TAG REGULATORY OR LSC IDENTIFYING INFORMATION)  V 536 Continued From page 15  ASHEVILLE, NC 28804  PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	COMPLETE
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by scoring a passing grade on testing in an	1
instructor training program.  (3) The training shall be competency-based, include measurable learning objectives, measurable testing (written and by observation of behavior) on those objectives and measurable methods to determine passing or failing the course.  (4) The content of the instructor training the service provider plans to employ shall be approved by the Division of MH/DD/SAS pursuant to Subparagraph (i)(5) of this Rule.  (5) Acceptable instructor training programs shall include but are not limited to presentation of:  (A) understanding the adult learner;  (B) methods for feaching content of the course;  (C) methods for evaluating trainee performance; and  (D) documentation procedures.  (6) Trainers shall have coached experience teaching a training program aimed at preventing, reducing and eliminating the need for restrictive interventions at least one time, with positive review by the coach.  (7) Trainers shall teach a training program aimed at preventing, reducing and elast once annually.  (8) Trainers shall complete a refresher instructor training at least every two years.  (1) Service providers shall maintain documentation of initial and refresher instructor training for at least three years.  (1) Documentation shall include:  (A) who participated in the training and the outcomes (pass/fail);  (B) when and where attended; and  (C) instructor's name.	

Division of Health Service Regulation

<del>12:11 P.M.</del> STATEMENT OF DEFICIENCIES (X1) PROVIDER/SUPPLIER/CLIA (X2) MULTIPLE CONSTRUCTION (X3) DATE SURVEY AND PLAN OF CORRECTION IDENTIFICATION NUMBER: COMPLETED A. BUILDING: R B. WING. MHL011-246 05/10/2018 NAME OF PROVIDER OR SUPPLIER STREET ADDRESS, CITY, STATE, ZIP CODE **573 MERRIMON AVENUE** WESTERN CAROLINA TREATMENT CENTER ASHEVILLE, NC 28804 SUMMARY STATEMENT OF DEFICIENCIES PROVIDER'S PLAN OF CORRECTION (X4) ID PRÉFIX (EACH DEFICIENCY MUST BE PRECEDED BY FULL PREFIX (EACH CORRECTIVE ACTION SHOULD BE COMPLETE REGULATORY OR LSC IDENTIFYING INFORMATION) CROSS-REFERENCED TO THE APPROPRIATE DATE TAG TAG DEFICIENCY) V 536 V 536 Continued From page 16 The Division of MH/DD/SAS may request and review this documentation any time. (k) Qualifications of Coaches: Coaches shall meet all preparation (1) requirements as a trainer. (2)Coaches shall teach at least three times the course which is being coached. Coaches shall demonstrate competence by completion of coaching or train-the-trainer instruction. (I) Documentation shall be the same preparation as for trainers. This Rule is not met as evidenced by: Based on record review and staff interview, the facility failed to ensure all staff, completed training in alternatives to restrictive intervention training from an approved curriculum annually for 1 of 4 sampled staff (Counselor #3). The findings are: Record review on 5/9/18 for Counselor #3 revealed: -Date of Hire 1/22/18 -Documentation of training in alternatives to restrictive interventions was dated 2/19/18 not prior to providing services. Interview on 5/9/18 with the Program Director revealed: -The facility used the NCI curriculum to complete alternatives to restrictive interventions training; scheduling NCI had become more difficult. -Had NCI plus scheduled but trainer had to delay training due to illness. -Was not aware this training was required prior to

Division of Health Service Regulation

July 26, 2018 PRINTED: 05/23/2018

12:11 P.M. FORM APPROVED Division of Health Service Regulation (X3) DATE SURVEY

	OF CORRECTION	IDENTIFICATION NUMBER:	A. BUILDING	E CONSTRUCTION	COMPLETED		
MIN 044 040		B. WING		R			
		MHL011-246	B. WING	*	05/10/2018		
NAME OF I	NAME OF PROVIDER OR SUPPLIER STREET ADDRESS, CITY, STATE, ZIP CODE						
WESTER	WESTERN CAROLINA TREATMENT CENTER  573 MERRIMON AVENUE ASHEVILLE, NC 28804						
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V 536	Continued From pa	ge 17	V 536				
	providing servicesWill include this tra new employees.	nining as part of orientation for					
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Division of Health Service Regulation

STATE FORM

STATE FORM: REVISIT REPORT **July 26, 2018** MULTIPLE CONSTRUCTION 12:11 P.M. DATE OF REVISIT PROVIDER / SUPPLIER / CLIA / **IDENTIFICATION NUMBER** A. Building 5/10/2018 B. Wing MHL011-246 ΥЗ NAME OF FACILITY STREET ADDRESS, CITY, STATE, ZIP CODE 573 MERRIMON AVENUE WESTERN CAROLINA TREATMENT CENTER

ASHEVILLE, NC 28804

This report is completed by a State surveyor to show those deficiencies previously reported that have been corrected and the date such corrective action was accomplished. Each deficiency should be fully identified using either the regulation or LSC provision number and the identification prefix code previously shown on the State Survey Report (prefix codes shown to the left of each requirement on the survey report form).

ITE	M	DATE	ITEM	y	DATE	ITEM	DATE
Y4		Y5	Y4	ű.	Y5	Y4	Y5
ID Prefix Reg. #	V0235 27G .3603 (A-C	Correction Completed	ID Prefix V023	3604 (E-K)	Correction  Completed	ID Prefix	Correction  Completed
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ID Prefix Reg. # LSC		Correction	ID Prefix Reg. #		Correction Completed	ID Prefix Reg. # LSC	Correction
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FOLLOWUP TO SURVEY COMPLETED ON 5/17/2017			CHECK FOUNCORRE	PR ANY UNCOF	RRECTED DEFICIEN ENCIES (CMS-2567)	CIES. WAS A SUI SENT TO THE FA	VIMARY OF CILITY? YES NO

July 26, 2018 12:11 P.M.



# NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

Division of Health Service Regulation

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director

June 1, 2018

Amy Shroyer, Program Director Western Carolina Treatment Center, Inc. 573 Merrimon Ave. Asheville, NC 28804

Re:

Annual and Follow-up Survey completed May 10, 2018

Western Carolina Treatment Center, 573 Merrimon Ave., Asheville, NC 28804

MHL # 011-246

E-mail Address: amy.shroyer@carolinatreatmentcenters.com

Dear Ms. Shroyer:

Thank you for the cooperation and courtesy extended during the annual and follow up survey completed 5/10/18.

As a result of the follow up survey, it was determined that some of the deficiencies are now in compliance, which is reflected on the enclosed Revisit Report. Additional deficiencies were cited during the survey.

Enclosed you will find all deficiencies cited listed on the Statement of Deficiencies Form. The purpose of the Statement of Deficiencies is to provide you with specific details of the practice that does not comply with state regulations. You must develop one Plan of Correction that addresses each deficiency listed on the State Form, and return it to our office within ten days of receipt of this letter. Below you will find details of the type of deficiencies found, the time frames for compliance plus what to include in the Plan of Correction.

#### Type of Deficiencies Found

- Type A1 rule violation(s) are cited for 10A NCAC 27G .3601 Scope (V233); cross referenced 10A NCAC 27G .0203 Competencies of Qualified Professionals and Associate Professionals (V109).
- Re-cited standard level deficiency.

#### Time Frames for Compliance

- Type A1 violations and all cross referenced citations must be corrected within 23 days from the
  exit date of the survey, which is 6/2/18. Pursuant to North Carolina General Statute § 122C-24.1,
  failure to correct the enclosed Type A1 violation(s) by the 23<sup>rd</sup> day from the date of the survey
  may result in the assessment of an administrative penalty of \$500.00 (Five Hundred) against
  Western Carolina Treatment Center, Inc. for each day the deficiency remains out of compliance.
- Re-cited standard level deficiency must be corrected within 30 days from the exit of the survey, which is 6/9/18.

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES - DIVISION OF HEALTH SERVICE REGULATION

MENTAL HEALTH LICENSURE AND CERTIFICATION SECTION

LOCATION: 1800 Umstead Drive, Williams Building, Raleigh, NC 27603 MAILING ADDRESS: 2718 Mail Service Center, Raleigh, NC 27699-2718 www.ncdhhs.gov/dhsr/ • TEL: 919-855-3795 • FAX: 919-715-8078

July 26, 2018 12:11 P.M.



ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

#### VIA CERTIFIED MAIL

June 1, 2018

Amy Shroyer, Program Director
Western Carolina Treatment Center, Inc.
573 Merrimon Avenue,
Asheville, North Carolina 28804

RE: Type A1 Administrative Penalty

Western Carolina Treatment Center, 573 Merrimon Ave., Asheville, North Carolina

28804

MHL # 011-246

E-mail Address: amy.shroyer@carolinatreatmentcenters.com

Dear Ms. Shroyer:

Based on the findings of this agency from a survey completed on May 10, 2018, we find that Western Carolina Treatment Center, Inc. has operated Western Carolina Treatment Center in violation of North Carolina General Statute (N.C.G.S.) § 122C, Article 2, the licensing rules for Mental Health, Developmental Disabilities, and Substance Abuse Services. After a review of the findings, this agency is taking the following action:

Administrative Penalty – Pursuant to N.C.G.S. § 122C-24.1, the Division of Health Service Regulation, Department of Health and Human Services (DHHS), is hereby assessing a Type A1 administrative penalty of \$6,000.00 against Western Carolina Treatment Center, Inc. for violation of 10A NCAC 27G .3601 Scope (V233). Payment of the penalty is to be made to the Division of Health Service Regulation, and mailed to the Mental Health Licensure and Certification Section, 2718 Mail Service Center, Raleigh, North Carolina 27699-2718. If the penalty is not paid within sixty (60) days of this notification, a 10% penalty plus accrued interest will be added to the initial penalty amount as per N.C.G.S. § 147-86.23. In addition, the Department has the right to initiate judicial actions to recover the amount of the administrative penalty. The facts upon which the administrative penalty is based and the statutes and rules which were violated are set out in the attached Statement of Deficiencies which are incorporated by reference as though fully set out herein.

Appeal Notice – You have the right to contest the above action by filing a petition for a contested case hearing with the Office of Administrative Hearings within thirty (30) days of mailing of this letter. Please write the facility's Mental Health License (MHL) number at the top of your petition. For complete instructions on the filing of petitions, please contact the Office of Administrative Hearings at (919) 431-3000. The mailing address for the Office of Administrative Hearings is as follows:

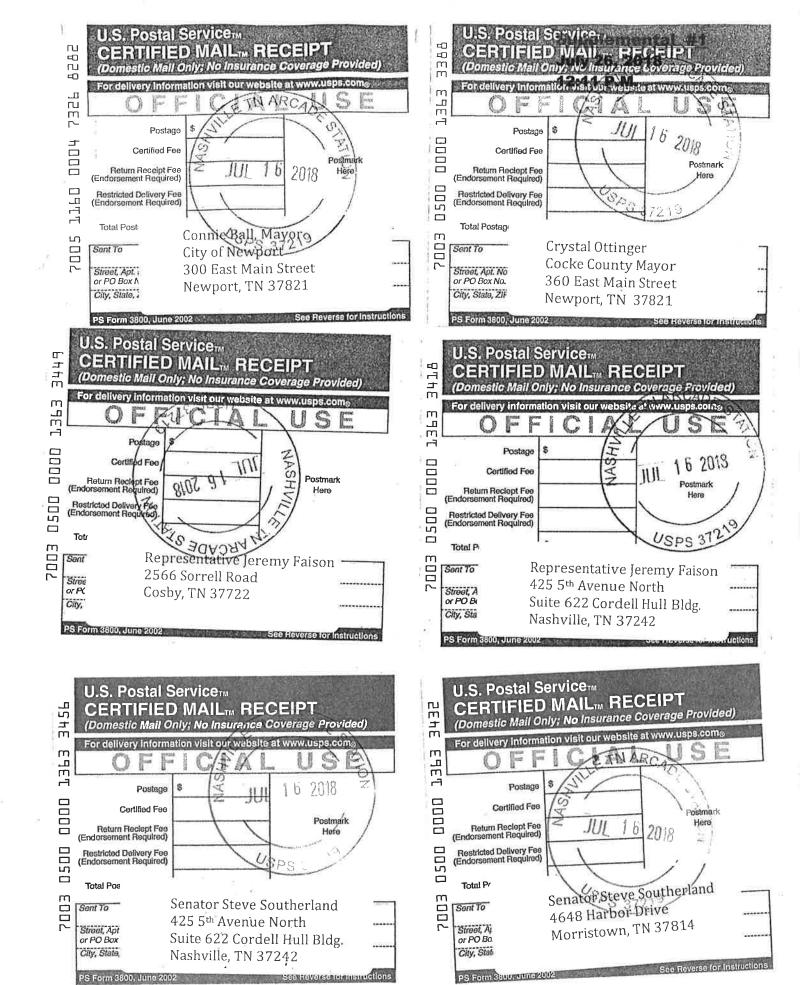
#### NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603

MAILING ADDRESS: 809 Ruggles Drive, 2701 Mail Service Center, Raleigh, NC 27699-2701

www.ncdhhs.gov/dhsr • TeL: 919-855-3750 • FAX: 919-733-2757

# Notification Requirements Proof of Notification to Elected Officials



**July 26, 2018** 

#### FAQs > (http://faq2spt.PoM/?articleId=220900)

# **USPS** Tracking®

## Track Another Package +

**Tracking Number:** 70030500000013633456

Remove X

Your item was delivered at 10:45 am on July 18, 2018 in NASHVILLE, TN 37203.

# **⊘** Delivered

July 18, 2018 at 10:45 am Delivered NASHVILLE, TN 37203

Get Updates ✓

Text & Email Updates	~
Tracking History	~
Product Information	~

#### See Less ∧

Tracking Number: 70030500000013633449

Remove X

Your item was delivered to an individual at the address at 12:24 pm on July 20, 2018 in COSBY,

TN 37722.

Supplemental #1 **July 26, 2018** 12:11 P.M.



July 20, 2018 at 12:24 pm Delivered, Left with Individual COSBY, TN 37722

Get Updates ✓

See More ∨

**Tracking Number:** 70051160000473268282

Remove X

Your item was delivered to the front desk or reception area at 12:56 pm on July 18, 2018 in NEWPORT, TN 37821.



July 18, 2018 at 12:56 pm Delivered, Front Desk/Reception NEWPORT, TN 37821

Get Updates ✓

See More ∨

Tracking Number: 70030500000013633432

Remove X

**Expected Delivery on** 

WEDNESDAY

18 JULY 8:00pm (i)

**July 26, 2018** 12:11 P.M.



July 18, 2018 at 3:13 pm Delivered, Left with Individual MORRISTOWN, TN 37814

Get Updates ✓

See More ✓

Remove X

**Tracking Number:** 70030500000013633418

Your item was delivered at 10:45 am on July 18, 2018 in NASHVILLE, TN 37203.

# **Oblivered**

July 18, 2018 at 10:45 am Delivered NASHVILLE, TN 37203

Get Updates ✓

See More ✓

Tracking Number: 70030500000013633388

Remove X

Your item was delivered to the front desk or reception area at 12:38 pm on July 18, 2018 in NEWPORT, TN 37821.



July 18, 2018 at 12:38 pm Delivered, Front Desk/Reception NEWPORT, TN 37821





Waller Lansden Dortch & D**July** 26, 2018
511 Union Street, Suite 2700
615.244.6380
P.O. Box 198966
Nashville, TN 37219-8966
wallerlaw.com

Kim Harvey Looney 615.850.8722 direct kim.looney@wallerlaw.com

July 16, 2018

### VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Connie Ball, Mayor City of Newport 300 East Main Street Newport, TN 37821

Re: New Hope Treatment Center

Dear Mayor Ball:

Pursuant to Tennessee Code Annotated §68-11-607(c)(9)(A), this letter will serve notice that our client, New Hope Treatment Center filed a Certificate of Need with the Tennessee Health Services and Development Agency ("HSDA") on July 13, 2018, for the establishment of a non-residential methadone/substitution-based treatment center at 135 Fox and Hound Way, Newport, Cocke County, Tennessee 37821. Attached is a copy of the Letter of Intent as filed with the HSDA.

If you have any questions, please contact me at 615-850-8722 or by email at Kim.Looney@wallerlaw.com.

Sincerely,

Kim Harvey Looney

KHL:lag Enclosure



## State of Tennessee Health Services and Development Agency

Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Supplemental #1 **July 26, 2018** 

Fax: 615-741-9884

اساللساما ي	IV OL HALLIAL	
Intent is to be published in the	Newport Plain Talk	
	(Name of Newspaper	

LETTED OF INTENT

The Publication of which is a newspaper of general circulation in Tennessee, on or before (Month/Day) for one day. This is to provide official notice to the Health Services and Development Agency and all interested parties. in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that: New Hope Treatment Center (Name of Applicant) New Hope Treatment Center of Tennessee, LLC owned by: with an ownership type of limited liability company and to be managed by: itself intends to file an application for a Certificate of Need for [PROJECT DESCRIPTION BEGINS HERE]: The establishment of a non-residential methadone/substitution-based treatment center at 135 Fox and Hound Way, Newport, Cocke County, Tennessee 37821. The anticipated project Costs are approximately \$554,000. The anticipated date of filing the application is: July 13 20 18 The contact person for this project is Kim Harvey Looney, Esq. Attorney (Contact Name) who may be reached at: Waller Lansden Dortch & Davis LLP 511 Union Street, Suite 2700 (Company Name) (Address) TN 37219 Nashville 850-8722 (State) (Zip Code) (Area Code) (Phone Number) July 10, 2018 Kim.Looney@wallerlaw.com (Email-Address)

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

> Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.





Waller Lansden Dortch & Davis, VP **26, 2018**511 Union Street, Suite 270**1 2:11 P6 W**44.6380

P.O. **Box** 198**966** Nashville, TN 37219-8966 615 244.6804 wallerlaw.com

maii fax

Kim Harvey Looney 615-850-8722 direct kim.looney@wallerlaw.com

July 16, 2018

### VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Crystal Ottinger Cocke County Mayor 360 East Main Street Newport, TN 37821

Re: New Hope Treatment Center

Dear Mayor Ottinger:

Pursuant to Tennessee Code Annotated §68-11-607(c)(9)(A), this letter will serve notice that our client, New Hope Treatment Center filed a Certificate of Need with the Tennessee Health Services and Development Agency ("HSDA") on July 13, 2018, for the establishment of a non-residential methadone/substitution-based treatment center at 135 Fox and Hound Way, Newport, Cocke County, Tennessee 37821. Attached is a copy of the Letter of Intent as filed with the HSDA.

If you have any questions, please contact me at 615-850-8722 or by email at Kim.Looney@wallerlaw.com.

Sincerely,

Kim Harvey Looney

Him It. Jamey

KHL:lag Enclosure



### State of Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor

502 Deaderick Street Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Supplemental #1 July 26, 2018

Fax: 615-741-9884

### LETTED OF INTENT

	LETTE	K OF INTENT			
The Publication of Intent is to be publ	ished in the			which	is a newspaper
of general circulation in Cocke		Tennessee, on o	Newspaper or before	July 10	, 20 18
,	unty)		-	(Month/Day	
for one day.					
			· · · · · · · · · · · · · · · · · · ·		***************************************
This is to provide official notice to the	Health Serv	ices and Develop	ment Agend	y and all int	terested parties,
in accordance with T.C.A. § 68-11-1	601 <i>et seq.</i> ,	and the Rules of	f the Health	Services ar	nd Development
Agency, that:					
New Hope Treatment Center			-N/A		
(Name of Applicant)				Type-Existing)	
New Hope Treatment Cer	ater of	5		The manifest	
owned by: Tennessee, LLC	iter or	with an ownersh	in type of	limited liab	ility company
		THE CONTROLOR	iib tybe oi		mty company
and to be managed by: itself		intends to file an	application	for a Certific	cate of Need
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		ent of a non-reside			
treatment center at 135 Fox and Hound V	Vay, Newport	, Cocke County, Te	ennessee 3782	21. The antic	ipated project
Costs are approximately \$554,000.					
The anticipated date of filing the application	ation is:	July 13	; 2	0 18	
The contact person for this project is	Kim Harv	ey Looney, Esq.	P1	Attorney	35
		(Contact Name)			Title)
who may be reached at: Waller Lai	nsden Dortch	& Davis LLP	511 Union S	Street, Suite 2	2700
	(Company Nar			(Address)	
Nashville	ľN	37219	. 615	1 8	350-8722
	state)	(Zip Code)	(Area Code)		one Number)
Mr. H. Doover	July 10, 2	2018	Kim.Looney	@wallerlaw.	com
(Signature)		(Date)		(Email-Addres	
					***************************************
The Letter of Intent must be filed in	triplicate and	received betwe	en the first	and the ter	th day of the

month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

> Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.





Waller Lansden Dortch & **Duly** P**26**, 511 Union **Street**, Suite 2700 P.O. Box 198966 **12:11 P**6 Nashville, TN 37219-8966

**12:11 P6M2**44,6804 wallerlaw.com

4 fax

Kim Harvey Looney 615\_850\_8722 direct kim\_looney@wallerlaw\_com

July 16, 2018

### VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Representative Jeremy Faison 425 5<sup>th</sup> Avenue North 622 Cordell Hull Building Nashville, TN 37243

2566 Sorrell Road Cosby, TN 37722

Re: New Hope Treatment Center

Dear Representative Faison:

Pursuant to Tennessee Code Annotated §68-11-607(c)(9)(A), this letter will serve notice that our client, New Hope Treatment Center filed a Certificate of Need with the Tennessee Health Services and Development Agency ("HSDA") on July 13, 2018, for the establishment of a non-residential methadone/substitution-based treatment center at 135 Fox and Hound Way, Newport, Cocke County, Tennessee 37821. Attached is a copy of the Letter of Intent as filed with the HSDA.

If you have any questions, please contact me at 615-850-8722 or by email at Kim.Looney@wallerlaw.com.

Sincerely,

Kim Harvey Looney

2. Loonex

KHL:lag Enclosure



# Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street

Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Supplemental #1 July 26, 2018

Fax: 615-741-9884

### LETTED OF INTENT

LETTE	K OF INTENT			
The Publication of Intent is to be published in the	Néwport Plain Talk	-	which is	a newspaper
of general circulation in Cocke	(Name of Newsp , Tennessee, on or be		July 10	, 20 18
for one day. (County)	*)		(Month/Day)	(Year)
This is to provide official notice to the Health Servin accordance with T.C.A. § 68-11-1601 et seq.,	rices and Developmen and the Rules of the	nt Agen Health	ncy and all inte Services and	rested parties, Development
Agency, that:				
New Hope Treatment Center		N/A	***	
(Name of Applicant)		(Facility	Type-Existing)	
New Hope Treatment Center of owned by: Tennessee, LLC	with an ownership ty	pe of	limited liabili	ty company
and to be managed by:itself	intends to file an app	lication	n for a Certifica	te of Need
for [project description begins here]: The establishm	nent of a non-residential	methac	done/substitutic	on-based
treatment center at 135 Fox and Hound Way, Newport	, Cocke County, Tennes	see 378	321. The anticip	ated project
Costs are approximately \$554,000.	* * * * * * * * * * * * * * * * * * * *			
The anticipated date of filing the application is:	July 13		20 18	
The contact person for this project is Kim Harv	rey Looney, Esq.		Attorney	100
8	(Contact Name)		(Tit	22000
who may be reached at: Waller Lansden Dortch (Company Nat		Union	Street, Suite 27	00
Nashville TN	37219	615	. ,	0-8722
2) (State)		ea Code)		ie Number)
July 10,	2018 Kin	n.Loon	ey@wallerlaw.co	om.
	(Date)		(Email-Address)	
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nonth. If the last day for filing is a Saturday, preceding business day. File this form at the follo	Sunday or State Ho	oliday,	filing must o	ccur on the
	d Development Agenc	y	30	G W
	n Building, 9 <sup>th</sup> Floor derick Street			
· .	ennessee 37243			
he published Letter of Intent must contain the following st are institution wishing to oppose a Certificate of Need app	atement pursuant to T.C.	A. § 68	3-11-1607(c)(1). (	(A) Any health
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gency meeting at which the application is originally schedulust file written objection with the Health Services and	led; and (B) Any other pe Development Agency at	rson wis	shing to oppose the	he application
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Waller Lansden Dortch & Dayuly 26. Waller Lansden Dorton 511 Union Street, Suite 2700 P.O. Box 198966 Nashville, TN 37219-8966 wallerlaw.com

Kim Harvey Looney 615.850.8722 direct kim\_looney@wallerlaw.com

July 16, 2018

### VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Representative Jeremy Faison 425 5th Avenue North 622 Cordell Hull Building Nashville, TN 37243

2566 Sorrell Road Cosby, TN 37722

Re: New Hope Treatment Center

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If you have any questions, please contact me at 615-850-8722 or by email at Kim.Looney@wallerlaw.com.

Sincerely,

Kim Harvey Looney

KHL:lag Enclosure



### State of Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor

502 Deaderick Street Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Supplemental #1 July 26, 2018

Fax: 615-741-9884

LETTE	R OF INTENT	io		<b>*</b> 37%
The Publication of Intent is to be published in the of general circulation in Cocke (County)		Newspaper	which is a  July 10 (Month/Day)	newspaper
for one day.				
This is to provide official notice to the Health Sen in accordance with T.C.A. § 68-11-1601 et seq., Agency, that:	vices and Develop , and the Rules o	pment Agen of the Health	cy and all interes Services and D	sted parties evelopment
New Hope Treatment Center		N/A		
(Name of Applicant)		(Facility	Type-Existing)	
New Hope Treatment Center of owned by:  Tennessee, LLC	with an ownersh	nip type of	limited liability	company
and to be managed by: <u>itself</u> for [PROJECT DESCRIPTION BEGINS HERE]: The establishm	intends to file ar			20
treatment center at 135 Fox and Hound Way, Newpor	t. Cocke County. T	ennessee 378	One/ substitution-l	oasea ed project
Costs are approximately \$554,000.	,		21. The arrierpare	d project
The anticipated date of filing the application is:	July 13	, 2	20_18	
The contact person for this project is Kim Ham	vey Looney, Esq. (Contact Name)		Attorney (Title)	
who may be reached at: Waller Lansden Dortch	& Davis LLP	511 Union	Street, Suite 2700	
(Company Na		JII CIMOII	(Address)	
Nashville TN	37219	615	/ 850-8	3722
Di Octy) (State)	(Zip Code)	(Area Code)	/ (Phone N	lumber)
(Signature) July 10,	2018 (Date)	Kim.Loone	y@wallerlaw.com (Email-Address)	
(organization)	(200)	· ·	(Lillall-Address)	

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

> Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Supplemental #1

waller

July 26, 2018 Waller Lansden Dortch & D 511 Union Street, Suite 270**1 2:11 R.1M**44,6380 P.O. Box 198966

wallerlaw.com

Kim Harvey Looney 615-850-8722 direct kim looney@wallerlaw.com

Nashville, TN 37219-8966

July 16, 2018

### VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Senator Steve Southerland 425 5th Avenue North 622 Cordell Hull Building Nashville, TN 37243

4648 Harbor Drive Morristown, TN 37814

Re: New Hope Treatment Center

Dear Senator Southerland:

Pursuant to Tennessee Code Annotated §68-11-607(c)(9)(A), this letter will serve notice that our client, New Hope Treatment Center filed a Certificate of Need with the Tennessee Health Services and Development Agency ("HSDA") on July 13, 2018, for the establishment of a non-residential methadone/substitution-based treatment center at 135 Fox and Hound Way, Newport, Cocke County, Tennessee 37821. Attached is a copy of the Letter of Intent as filed with the HSDA.

If you have any questions, please contact me at 615-850-8722 or by email at Kim.Looney@wallerlaw.com.

Sincerely,

Kim Harvey Looney

Idin H. Jooney

KHL:lag Enclosure



# State of Tennessee Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243 www.tn.gov/hsda Phone: 615-741-2364 Supplemen July 26, 201 12:11 P.M. 615-741-9884

Supplemental #1 July 26, 2018

LETTE	R OF INTENT	
The Publication of Intent is to be published in the		which is a newspaper
of general circulation in Cocke	(Name of Newspaper , Tennessee, on or before	July 10 , 20 18
for one day. (County)		(Month/Day) (Year
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New Hope Treatment Center	N/A	
(Name of Applicant)	(Facil	ity Type-Existing)
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owned by: Tennessee, LLC	with an ownership type of	limited liability company
	E	
and to be managed by: itself	intends to file an application	on for a Certificate of Need
for [PROJECT DESCRIPTION BEGINS HERE]: The establishm	nent of a non-residential meth	adone/substitution-based
treatment center at 135 Fox and Hound Way, Newport		
Costs are approximately \$554,000.	7	. OLI THE MINUS PARCE PROJECT
		7
The anticipated date of filing the application is:	July 13	20 18
er or		20 18
The contact person for this project is Kim Harv	vey Looney, Esq.	Attorney
	(Contact Name)	(Title)
who may be reached at: Waller Lansden Dortch		on Street, Suite 2700
(Company Na	me)	(Address)
Nashville TN	37219 615	/ 850-8722
(State)	(Zip Code) (Area Cod	e) / (Phone Number)
July 10,	2018 Kim.Loo	ney@wallerlaw.com
(Signature)	(Date)	(Email-Address)
The Letter of Intent must be filed in triplicate an	d received between the fir	st and the tenth day of the
month. If the last day for filing is a Saturday,		r, filing must occur on the
preceding business day. File this form at the follo	wing address:	10
	d Development Agency	i <del>t</del>
	n Building, 9 <sup>th</sup> Floor	
	derick Street	*
Nashville, I	ennessee 37243	
The published Letter of Intent must contain the following st		CO 44 4007(-)(4) (A) A b14
care institution wishing to oppose a Certificate of Need ap	blication must file a written noti	ce with the Health Services and
Development Agency no later than fifteen (15) days before	ore the regularly scheduled He	alth Services and Development
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must file written objection with the Health Services and application by the Agency.	Development Agency at or p	rior to the consideration of the





Waller Lansden Dortch & D**July 26, 2018**511 Union Street, Suite 2700
P.O. Box 198966
12:11 P.M. 6804
Nashville, TN 37219-8966
wallerlaw.com

Kim Harvey Looney 615-850-8722 direct kim looney@wallerlaw.com

July 16, 2018

### VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Senator Steve Southerland 425 5<sup>th</sup> Avenue North 622 Cordell Hull Building Nashville, TN 37243

4648 Harbor Drive Morristown, TN 37814

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If you have any questions, please contact me at 615-850-8722 or by email at Kim.Looney@wallerlaw.com.

Sincerely,
Di D. Lower

Kim Harvey Looney

KHL:lag Enclosure



# State of Tennessee Health Services and Development Agency

Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Supplemental #1 **July 26, 2018** 12:11 P.M.

Fax: 615-741-9884

LETT	TER OF INTENT			
The Publication of Intent is to be published in the of general circulation in Cocke (County) for one day.	Newport Plain Ta (Name of I , Tennessee, on o	Vewspaper	which is a lly 10 (Month/Day)	newspaper , 20 18 (Year)
This is to provide official notice to the Health Se in accordance with T.C.A. § 68-11-1601 et se Agency, that:	ervices and Develop $q_{\cdot,\cdot}$ and the Rules of	oment Agency a f the Health Se	and all interes ervices and De	ted parties, evelopment
New Hope Treatment Center		N/A		
(Name of Applicant)	7/.	(Facility Type	e-Existing)	
New Hope Treatment Center of owned by:  Tennessee, LLC	with an ownersh	ip type of <u>li</u>	imited liability o	company
and to be managed by:itself	intends to file an	application for	a Certificate	of Need
	hment of a non-reside			
treatment center at 135 Fox and Hound Way, Newp	ort, Cocke County, To	ennessee 37821.	The anticipate	d project
Costs are approximately \$554,000.	*			
	*			
The anticipated date of filing the application is:	July 13	, 20	18	
The contact person for this project is Kim H	arvey Looney, Esq. (Contact Name)	At	torney (Title)	
who may be reached at: Waller Lansden Dort	ch & Davie IIP	511 Union Str	8	
(Company		JII OIIIOII JII	(Address)	
Nashville TN	37219	615 /	850-8	3722
OLI (State)	(Zip Code)	(Area Code) /	(Phone N	
My Hoove July 1	0, 2018	Kim.Looney@	wallerlaw.com	
(Signature)	(Date)		mail-Address)	

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

> Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1), (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>Article Addressed to:         <ul> <li>Connie Ball, Mayor</li> <li>City of Newport</li> <li>300 East Main Street</li> <li>Newport, TN 37821</li> </ul> </li> </ul>	A. Signature  X
9590 9402 3569 7305 7333 26  2. Article Number ( <i>Transfer from service label</i> ) 7005 1160 0004 7326 8282  PS Form 3811, July 2015 PSN 7530-02-000-9053	3. Service Type  □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail Restricted Delivery □ Collect on Delivery □ Collect on Delivery □ Insured Mail Restricted Delivery □ Insured Mail Restricted Delivery □ (over \$500) □ Domestic Return Receipt

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511 Union Street, Suite 2700 P.O. Box 198966 Nashville, TN 37219-8966

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PS Form 3800, June 2002	Connie Ball, Mayor Sent To  City of Newport Street, Apr. 300 East Main Street or FO Box A Newport, TN 37821	Certified Fee Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required)	U.S. Postal Service <sub>TM</sub> CERTIFIED MAIL <sub>TM</sub> RECEIPT (Domestic Mail Only; No Insurance Coverage Provided) For delivery information visit our website at www.usps.com  OFFIGIRAL USE
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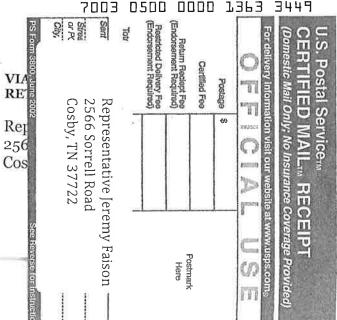
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July 26, 2018 12:11 P.M.

### **AFFIDAVIT**

STATE OF TENNESSEE
COUNTY OF DAVIDSON

NAME OF FACILITY: NEW HOPE TREATMENT CENTER

I, KIM H. LOONEY, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Attorney

Sworn to and subscribed before me, a Notary Public, this the 26th day of July, 2018, witness my hand at office in the County of Davidson, State of Tennessee.

NOTARY PUBLIC

My commission expires January 8, 2019

HF-0043

Revised 7/02



# Supplemental #2 (Original)

### New Hope Treatment Center

CN1807-034



### Supplemental #2

Waller Lansden Dortch & Davis, LLP July 27, 511 Union Street, Suite 2700 P.O. Box 198966 Nashville, TN 37219-8966

615.345374 PM\_

Kim Harvey Looney 615.850.8722 direct kim.looney@wallerlaw.com

July 30, 2018

### VIA HAND DELIVERY

Phillip M. Earhart Health Services Development Examiner Health Services and Development Agency Andrew Jackson Building 502 Deaderick Street 9th Floor Nashville, TN 37243

> Certificate of Need Application CN1807-034 RE:

> > New Hope Treatment Center Second Supplemental Responses

Dear Phillip:

This letter is submitted as the second supplemental response to your letter dated July 27, 2019, wherein additional information or clarification was requested regarding the abovereferenced CON application.

1. Section A, Applicant Profile, Item 6.B.1, Plot Plan, 6B.2 Floor Plan, and 6B.3 Public Transportation, Page 11

It is noted by the applicant that the proposed project is in compliance with local zoning ordinances and that the building will meet all applicable local, state, and federal requirements for the proposed location's use as a nonresidential substitution-based treatment center for opiate addiction. However, Attachment Section A, Applicant Profile, 6.B.1 (Letter from Architect) could not be located. Please confirm if the applicant is referring to the Architect's Letter located in the original application in Attachment B, Economic Feasibility-A-5.

Response: The letter referenced in the previous supplemental responses was the same one included with the application, so we should not have included an additional reference.

2. Section B. Need, Item F, Page 30

The table of drug related arrests (2015-2016) and Hospital Discharge Data for Drug-Related Poisoning (2012-2014) in noted. If available, please add a row for the overall

July 27, 2018 3:57 P.M.

### waller

Phillip Earhart Health Services and Development Agency Examiner July 30, 2018 Page 2

Tennessee average for each table so that a baseline may be established for comparison purposes.

Response: The data is included on a county map for the state and just shows the range for each of the counties. The raw data is not available for the state overall, or to enable us to calculate a number for the state overall. It might be helpful to know that for the opioid related arrests table, the key for the table is based on the following per 10K population: less than 5 people, 0.1-7.5, 7.6-15, 15.1-25, and 25.1 to 75. The key for hospital discharges for drug poisonings for heroin is 0, 0.00-0.35, 0.36-0.55, 0.56-0.75, and 0.76-1.35; for opioids it is 4.7-7.4, 7.5-9.6, 9.7-12.3, 12.4-15.4 and 15.5-20.5. Please see a copy of the color maps included as Attachment Section B. Need, Item F, which give you an idea as to how the service area counties compare to the rest of the state.

### 3. Section B, Economic Feasibility, Item B (Project Costs Chart), Page 32

It is noted Dr. Loyd is unavailable to provide a funding commitment letter. However, please provide a letter from the LLC's designated representative documenting Dr. Loyd's funding commitment.

Response: Please see letter from Dr. Sherman attached as <u>Attachment Section B, Economic Feasibility, Item B (Project Costs Chart)</u> verifying Dr. Loyd's funding commitment.

### 4. Section B, Economic Feasibility, Item E, Page 39

Please verify the project's average gross charge, average deduction from operating revenue, and average net charge per patient using information from the projected data chart for Year One and Year Two in the table below.

	Year	Year	% Change
	One	Two	(Current Year
			to Year 2)
Gross Charge (Gross Operating	2,521	4,188	+66%
Revenue/Utilization Data)			
Deduction from Revenue (Total	76.12	126.47	+66%
Deductions/Utilization Data)			
Average Net Charge (Net	2,444	4,061	+66%
Operating Revenue/Utilization Data)			

It is noted the gross charge, deduction from revenue, and average net charge per patient increases 66% from Year One to Year Two. Please indicate the reason(s) for the percentage increase.

### Supplemental #2

July 27, 2018 3:57 P.M.

### waller

Phillip Earhart Health Services and Development Agency Examiner July 30, 2018 Page 3

Response: The applicant did not include deductions for charity care and bad debt in the deduction from revenue, as it should have, as it was only thinking about contractual adjustments, of which there are none. However, the charge used by the applicant is the same for year one and year two, at \$95 per week. Because the number of patients on the projected data chart is based on a ramp up of patients, i.e. in year one, from 5 patients the first day of operation to 235 on the last day of the twelve month period; and for year two of 245 the first day to 349 the last day of the twelve month period, there is a significant different in the total gross charges. It is not accurate to take the charges and divide by the number of patients and compare the two years for the reason listed above. Charges do not increase from year one to year two.

It is noted \$48,000 is assigned in Year Two of the Projected Data Chart for Physician's Salaries and Wages. However, at \$90.00 per hour and being a 0.5 FTE is \$48,000 underestimated?

Response: It is difficult to tell exactly how much of an FTE will be needed for the Physician. The facility is required to have a physician 1 hour per week for every 35 patients, plus the physician does the initial intake on the patient and is on call for the facility. Because there is a ramp up in the number of patients, it is also expected that there will be some ramp up in the physician time needed. The applicant feels that the amount of time a physician is needed the first year is closer to .25-.3 FTEs. A revised staffing chart is included as Attachment Section B, Economic Feasibility, Item E.

Please contact me at 615-850-8722 or by email at <u>Kim.Looney@wallerlaw.com</u> if you have any questions.

Sincerely,

Kim Harvey Looney

KHL:lag Enclosures

# Attachment Section B, Economic Feasibility, Item B Dr. Loyd Funding Commitment Letter

July 27, 2018

Melanie Hill Executive Director Tennessee Health Services and DevelopmentAgency Andrew Jackson, 9th Floor 502 Deaderick Street Nashville, TN 37243

Re: New Hope Treatment Center Certificate of Need Application (CN1807 034)

Dear Ms. Hill:

I, Richard Sherman, can confirm that Dr. Stephen Loyd has committed to funding his share of this project.

Sincerely,

Richard Sherman, D.O.

Member

New Hope Treatment Center of Tennessee, LLC

Richard Sleeman O.O.

### Attachment Section B, Need, Item F

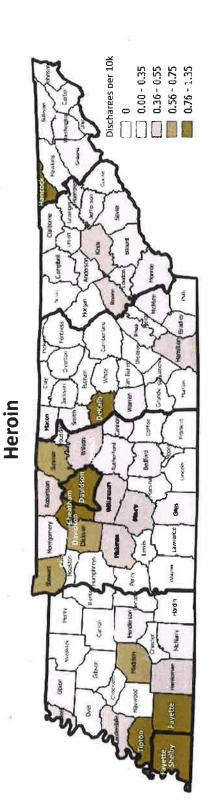
### Drug Related Arrests and Hospital Discharge Data For Drug Related Poisoning Maps

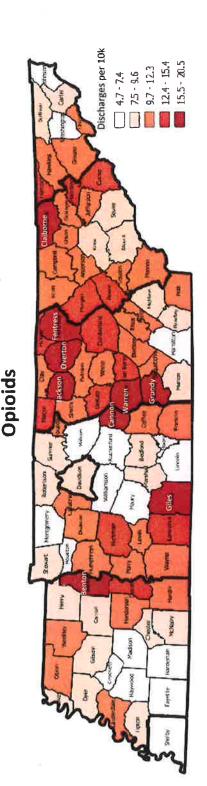
July 27,

# Hospitalizations for heroin poisonings are higher in the west while opioid poisonings are higher in the east.

Hospital discharges<sup>1</sup> for drug poisonings (per 10K population), 2012-2014

Source: Tennessee Department of Health, 2012-2014.





Notes: (1) The data represents all outpatient (emergency room visits and 23-hour observations) and inpatient (stays of 24-hours or longer) hospital discharges of Tennessee residents. All 1851 dianness and all three e-codes were evaluated. (2) Heroin poisonings include hospital diagnoses and all three e-codes were evaluated. (2) Heroin poisonings include hospital discharges with ICD-9 codes of 965.01, E850.0, E935.0. (3) Opioid poisonings include hospital discharges with ICD-9 codes of 965.09, E850.2, E935.2.

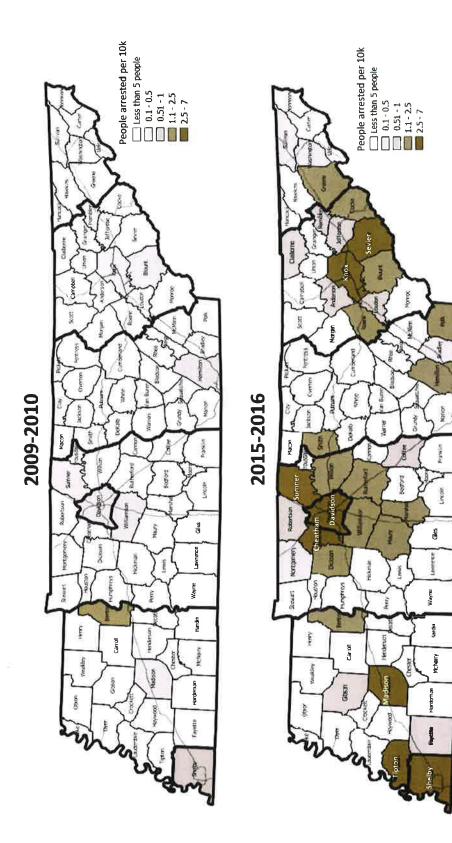


E. Omohundro, PhD, 3/15/2017 Office of Research

July 27, 2018 3:57 P.M.

# Heroin-related arrests continue to increase in counties around urban areas.

Number of people arrested for heroin-related crimes (per 10K population)



Notes: Rates are only shown for counties where the combined count during the time period was 5 or greater. Rates based on two year averages. Opioids exclude heroin. Source: Tennessee Bureau of Investigation (TBI) CIIS Support Center, 2009-2016

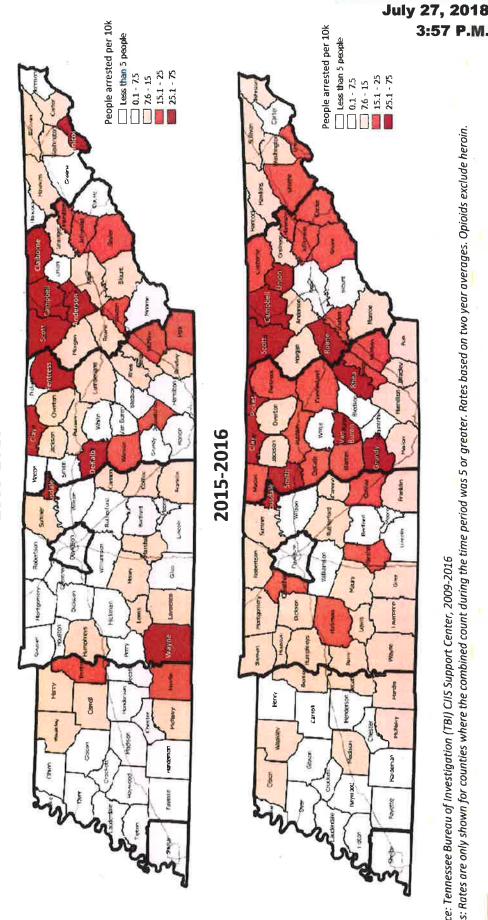


E. Omohundro, PhD, 3/15/2017 Office of Research

# Opioid-related arrests are highest in east Tennessee.

Number of people arrested for opioid-related crimes (per 10K population)

2009-2010



Notes: Rates are only shown for counties where the combined count during the time period was 5 or greater. Rates based on two year averages. Opioids exclude heroin. Source: Tennessee Bureau of Investigation (TBI) CIIS Support Center, 2009-2016



E. Omohundro, PhD, 3/15/2017 Office of Research

July 27, 2018 3:57 P.M.

# Attachment Section B, Orderly Development, Item H Replacement Page 42

	Position Classification	Existing FTEs (enter year)	Projected FTEs Year 1	Average Wage (Contractual J Rate)	ementalea#2 ul}Wide/Statenide Ayerage Wage
A.	Direct Patient Care Positions				3:57°P.M.
	Director	N/A	1.0	\$60,000/Yr	N/A
	Director of Nursing (RN)	N/A	1.0	\$55,0000/Yr	\$50,000/Yr
	Registered Nurse	N/A	0.5	\$24/Hr	\$25.28/Hr
	Licensed Practical Nurse	N/A	0.75	\$18/Hr	\$19.56/Hr
	Group Counselor	N/A	0.2	\$16/Hr	\$17.17/Hr
	Clinical Supervisor	N/A	1.0	\$45,700/Yr	\$36,000/Yr
	Counselor	N/A	1.25	\$16/Hr	\$17.17/Hr
	Total Direct Patient Care Positions	N/A	5.70	N/A	N/A

В.	Non-Patient Care Positions				
	Administrator	N/A	1.50	\$11/Hr	\$14.79/Hr
	Total Non-Patient Care Positions		1.50	·	
	Total Employees (A+B)		7.20		
C.	Contractual Staff				
	Medical Director	N/A	0.3	\$90/Hr	N/A
	Total Staff (A+B+C)		7.5	N/A	N/A

- Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:
  - 1) Discuss the availability of less costly, more effective and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, justify why not, including reasons as to why they were rejected.

Response: There are no viable choices for the Applicant other than to proceed with trying to implement this project. There are buprenorphine providers in the service area so this treatment alternative is available. As previously cited, the FDA has approved three drugs for the treatment of opioid dependence: methadone, buprenorphine, and naltrexone. All three of these treatments have been demonstrated to be safe and effective in combination with counseling and psychosocial support. Everyone who seeks treatment for an OUD should be offered access to all three options as this allows providers to work with patients to select the treatment best suited for an individual's needs.<sup>24</sup> With no available MAT providers in the service area, and portions of the service area identified as underserved for this service, the Applicant felt it had no choice but to step in to help fill the void in available service options.

There are no MAT providers in the service area. Portions of the service area have been identified as underserved.

Page 42-R

<sup>24</sup> https://www.fda.gov/Drugs/DrugSafety/InformationbyDrugClass/ucm600092.htm

### **AFFIDAVIT**

STATE OF TENNESSEE
COUNTY OF DAVIDSON

NAME OF FACILITY: NEW HOPE TREATMENT CENTER

I, KIM H. LOONEY, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Attorney

Sworn to and subscribed before me, a Notary Public, this the 27th day of July, 2018, witness my hand at office in the County of Davidson, State of Tennessee.

VOTARY PUBLIC

My commission expires January 8, 2019

HF-0043

Revised 7/02

